

FILE COPY

**JOINT COMMITTEE ON  
GOVERNMENT AND FINANCE**

**Materials Distributed**

**January 12, 2010**

**December 9, 2009**

1:00 - 2:00 p.m.

**Joint Committee on Government and Finance**

**Senate**

Tomblin, Chair  
Chafin  
Helmick (absent)  
Kessler  
Plymale (absent)  
Caruth  
Deem

**House**

Thompson, Chair  
Boggs  
Caputo  
Miley  
White  
Armstead  
Border

Speaker Thompson, Cochair, presided.

**1. Approval of Minutes**

Upon motion by President Tomblin, properly adopted, the minutes of the October 15, 2009, meeting were approved.

**2. Committee Reports/Requests:**

**Select Committee on Health - Speaker Thompson**

Upon motion by President Tomblin, properly adopted, the Select Committee on Health was approved and funded to do a feasibility study on out-of-state placements for children with behavioral issues.

**3. Lottery, General Revenue Reports and Unemployment Compensation Trust Fund**

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended October 31, 2009; General Revenue Fund report for the month ended November 30, 2009; and the Unemployment Compensation Trust Fund report as of October 31, 2009. Distributed with each of the reports were an analysis and a summary of the reports.

**4. PEIA, BRIM and CHIP Reports**

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending October 31, 2009.

The following reports from CHIP were distributed: A report of enrollment for November 2009 and financial statements for period ending October 31, 2009.

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for October 2009.

5. **Real Estate Report, Department of Administration**

A leasing report for November 1, 2009, through November 30, 2009, was distributed.

6. **Departments of Health and Human Resources (DHHR) Monthly Reports**

A Medicaid report dated December 2009 was distributed.

7. **Investment Management Board**

A Investment Management Board report dated October 31, 2009, was distributed. Craig Slaughter, Executive Director, said markets were up in November.

8. **Workers' Compensation**

A Workers' Compensation report dated November 10, 2009, was distributed. Bill Kenny, Deputy Insurance Commissioner said revenues now exceed expenditures from the fund.

9. **GOHELP Report Distribution**

A GOHELP Report dated December 9, 2009 was distributed.

10. **Board of Treasury Investments Report Distribution**

A Board of Treasury Investments Report dated October 2009 was distributed.

11. **Department of Transportation Distribution**

12. **WV Higher Education Policy Commission Distribution**

13. **Other Business**

The meeting was adjourned.

**WEST VIRGINIA LEGISLATURE**  
*Office of the Legislative Auditor*

*Budget Division*  
*Building 1, Room 314-West Wing*  
*1900 Kanawha Blvd. East*  
*Charleston, WV 25305-0590*



, 304-347-4870

January 7, 2010

**Executive Summary of Lottery, Unemployment, General Revenue and State Road Fund Reports to Joint Committee**

**Lottery Commission as of November 30, 2009 :**

Appears to be in good condition. Gross profit for five months of fiscal year 2009-2010 was 6.44% lower than for the same months fiscal year 2008-2009.

**General Revenue Fund as of December 31, 2009:**

Collections were at 101.02% of the yearly estimate as of December 31, 2009. (FY 2009-2010)

**State Road Fund as of December 31, 2009:**

Fund collections were at 99.13% of the yearly estimate. (FY 2009-2010)

**Unemployment Compensation Trust as of November 30, 2009:**

Regular benefits paid July - November of fiscal year 2010 were \$ 92 million more than in fiscal year 2009. Total revenues July - November of fiscal 2010 were \$ 123 million more than in 2009.

*Joint Committee on Government and Finance*

**WEST VIRGINIA LEGISLATURE**  
*Office of the Legislative Auditor*

*Budget Division*  
*Building I, Room 314-West Wing*  
*1900 Kanawha Blvd. East*  
*Charleston, WV 25305-0590*



, 304-347-4870

MEMORANDUM

To: Honorable Senate President Tomblin  
Honorable House of Delegates Speaker Thompson  
Honorable Members of the Joint Committee on Government and  
Finance

From: Ellen Clark, CPA *EC*  
Director Budget Division  
Legislative Auditor's Office

Date: January 7, 2010

Re: Review of West Virginia Lottery Financial Information  
As of November 30, 2009 (FY 2010)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for July - November of fiscal year 2009-2010 from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

**Lottery Revenues:**

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$ 578,420,000.00 for July - November of fiscal year 2010. Table games accounted for \$13 million of this total. Historic Resort Hotel video lottery and table games enacted in 2009 accounted for \$192 thousand of total gross receipts. These gross receipts were \$ 619,187,000.00 for the same months of the preceding fiscal year, 2008-2009. Gross lottery revenue is down by 6.58% from the preceding fiscal year. This number does not

Lottery

*Joint Committee on Government and Finance*

Lottery continued

include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July - November 2009 was \$249,915,000.00; for the previous fiscal year it was \$267,122,000.00. Expressed as a percentage, gross profit is 6.44% lower for fiscal year 2010 than for fiscal year 2009.

**Operating Income:**

Operating income was \$ 240,490,000.00 for July - November 2009. For the preceding July- November it was \$ 257,776,000.00. This was a decrease of 6.71%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$235,916,000.00 for July- November 2009.

**Operating Transfers to the State of West Virginia:**

A total of \$235,916,000.00 has been accrued to the state of West Virginia for fiscal year 2009-2010. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. ( Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$ 48,525,000.00
Community and Technical College	-0-
Department of Education	\$ 29,141,000.00
Library Commission	\$ 9,499,000.00
Higher Education-Central Office	\$ 11,809,000.00
Tourism	\$ 6,454,000.00
Department of Natural Resources	\$ 2,927,000.00

Lottery

Lottery continued

Division of Culture and History	\$ 4,990,000.00
Department of Education and Arts	\$ 1,011,000.00
State Building Commission	\$ 5,000,000.00
School Building Authority	\$ 9,000,000.00
<b>SUBTOTAL BUDGETARY TRANSFERS</b>	<b>\$128,356,000.00</b>

**Excess Lottery Fund**

General Purpose Fund	20,180,000.00
Economic Development Fund	9,500,000.00
Excess Lottery Surplus	-0-
Education Improvement Fund	5,000,000.00
WV Infrastructure Council Fund	-0-
Higher Education Improvement Fund	29,000,000.00
State Park Improvement Fund	-0-
Refundable Credit	719,000.00
School Building Authority	5,304,000.00
<b>TOTAL EXCESS LOTTERY FUND</b>	<b>\$69,703,000.00</b>

Historic Resort Hotel Distributions:

State General Revenue Fund	21,000.00
State Debt Reduction Fund	6,000.00
Tourism Promotion Fund	1,000.00
<b>Total Historic Hotel</b>	<b>28,000.00</b>

Veterans Instant Ticket Fund 206,000.00

Lottery

Lottery continued

Table Games State Debt Reduction Fund

7,351,000.00

<b>RACETRACK VIDEO LOTTERY TRANSFERS:</b>	
Tourism Promotion Fund 1.375%	\$4,326,000.00
Development Office Promo Fund	\$1,180,000.00
Research Challenge Fund .5%	\$1,573,000.00
Capitol Renovation and Improvement Fund .6875%	\$2,163,000.00
Parking Garage Fund .0625%	\$197,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,228,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$1,419,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
<b>SUBTOTAL VIDEO LOTTERY TRANSFERS:</b>	<b>\$23,586,000.00</b>
<b>TOTAL TRANSFERS</b>	<b>*\$229,230,000.00</b>

\* CASH BASIS

Total Accrued last FY 2009:	202,184,000.00
Total Cash Distributions July-June :	229,230,000.00
Applied to FY 2009:	202,184,000.00
Total Applied to FY 2010	27,046,000.00
Accrued for FY 2009 as of Nov 30	-0-
Accrued for FY 2010 as of Nov 30	208,870,000.00

Lottery





P.O. BOX 2067  
CHARLESTON, WV 25327

PHONE: (304) 558-0500  
FAX: (304) 558-3321

Joe Manchin III  
Governor

John C. Musgrave  
Director

**MEMORANDUM**

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

RE: Monthly Report on Lottery Operations  
Month Ending November 30, 2009

DATE: December 18, 2009

This report of the Lottery operations is provided pursuant to the State Lottery Act.

Financial statements of the Lottery for the month ending November 30, 2009 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$104,915,916 for the month of November.

Transfers of lottery revenue totaling \$40,849,829 made for the month of October to the designated state agencies per House Bill 2010, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 17 and 18 of the attached financial statements.

The number of traditional and limited retailers active as of November 30, 2009 was 1,571 and 1,618 respectively.

A listing of the names and amounts of prize winners has been provided to the Clerk of the Senate, the Clerk of the House and Legislative Services.

If any member of the Committee has questions concerning the Lottery, please call me. Also if any members of the Legislature wish to visit the Lottery offices, I would be pleased to show them our facilities and discuss the Lottery with them.

JCM/rd  
Attachment

pc: Honorable Joe Manchin III  
Virgil T. Helton, Cabinet Secretary – Dept. of Revenues  
John Perdue, Treasurer  
Glen B. Gafner III, Auditor  
Members of the West Virginia Lottery Commission

[www.wvlottery.com](http://www.wvlottery.com)

LOTTERY FINANCIAL STATEMENTS ATTACHMENT NOVEMBER 2009 (JAN. Interims)



**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**November 30, 2009**

**WEST VIRGINIA LOTTERY**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>BALANCE SHEETS .....</b>	<b>3</b>
<b>STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS.....</b>	<b>4</b>
<b>STATEMENTS OF CASH FLOWS .....</b>	<b>5</b>
<b>NOTES TO FINANCIAL STATEMENTS .....</b>	<b>6 - 22</b>

**WEST VIRGINIA LOTTERY  
BALANCE SHEETS  
(In Thousands)  
-Unaudited-**

ASSETS	November 30, 2009	June 30, 2009
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 215,989	\$ 225,353
Accounts receivable	38,209	33,311
Inventory	490	649
Current portion of investments held in trust	-	-
Other assets	<u>2,458</u>	<u>2,535</u>
Total Current Assets	<u>257,146</u>	<u>261,870</u>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents	69,904	69,870
Investments held in trust, less current portion	-	-
Capital assets	17,916	17,641
Less accumulated depreciation and amortization	<u>(15,161)</u>	<u>(14,335)</u>
Net Capital Assets	<u>2,755</u>	<u>3,306</u>
Total Noncurrent Assets	<u>72,659</u>	<u>73,176</u>
Total Assets	<u>\$ 329,805</u>	<u>\$ 335,046</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accrued nonoperating distributions to the State of West Virginia	\$ 208,870	\$ 202,184
Estimated prize claims	12,054	12,939
Accounts payable	2,380	1,716
Other accrued liabilities	23,279	35,019
Current portion of deferred jackpot prize obligations	-	-
Total Current Liabilities	<u>246,583</u>	<u>251,858</u>
Deferred jackpot prize obligations, less current portion	-	-
Total Liabilities	<u>246,583</u>	<u>251,858</u>
<b>Net Assets:</b>		
Invested in capital assets	2,755	3,306
Unrestricted assets (deficit)	(2,255)	(2,806)
Unrestricted assets- Committed ( see note 11)	12,818	12,818
Restricted assets ( see note 10)	<u>69,904</u>	<u>69,870</u>
Total Net Assets	<u>83,222</u>	<u>83,188</u>
Total Liabilities and Net Assets	<u>\$ 329,805</u>	<u>\$ 335,046</u>

The accompanying notes are an integral part of these financial statements.

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FOR THE FIVE MONTH PERIOD ENDED NOVEMBER 30, 2009**  
(In Thousands)  
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2009	2008	2009	2008
<b>Lottery revenues</b>				
On-line games	\$ 5,858	\$ 5,952	\$ 36,129	\$ 33,948
Instant games	6,746	8,306	37,230	46,916
Racetrack video lottery	58,798	65,510	328,356	357,209
Limited video lottery	31,123	31,621	163,069	167,445
Table games	2,259	2,885	13,444	13,670
Historic resort	132	-	192	-
	<u>104,916</u>	<u>114,274</u>	<u>578,420</u>	<u>619,187</u>
<b>Less commissions</b>				
On-line games	410	416	2,528	2,377
Instant games	473	581	2,606	3,284
Racetrack video lottery	32,192	35,932	191,183	207,827
Limited video lottery	15,250	15,494	79,904	82,048
Table games	688	1,136	5,286	5,378
Historic resort	62	-	88	-
	<u>49,275</u>	<u>53,609</u>	<u>281,597</u>	<u>300,914</u>
<b>Less on-line prizes</b>	3,013	3,032	18,067	16,991
<b>Less instant prizes</b>	4,524	5,848	25,121	31,175
<b>Less ticket costs</b>	95	119	548	625
<b>Less vendor fees and costs</b>	520	487	3,172	2,360
	<u>8,152</u>	<u>9,486</u>	<u>46,908</u>	<u>51,151</u>
<b>Gross profit</b>	<u>47,489</u>	<u>51,179</u>	<u>249,915</u>	<u>267,123</u>
<b>Administrative expenses</b>				
Advertising and promotions	747	58	2,901	2,530
Wages and related benefits	870	739	4,623	3,691
Telecommunications	53	18	335	836
Contractual and professional	288	492	1,845	2,534
Rental	47	62	285	308
Depreciation and amortization	149	162	826	826
Other administrative expenses	80	70	461	478
	<u>2,234</u>	<u>1,598</u>	<u>11,176</u>	<u>11,214</u>
<b>Other Operating Income</b>	<u>83</u>	<u>87</u>	<u>1,781</u>	<u>1,869</u>
<b>Operating Income</b>	<u>45,340</u>	<u>49,668</u>	<u>240,490</u>	<u>257,776</u>
<b>Nonoperating income (expense)</b>				
Investment income	21	272	153	2,026
Nonoperating income - OPEB	-	-	-	-
Interest expense	-	-	-	(1)
Distributions to municipalities and counties	(610)	(620)	(3,196)	(3,282)
Distributions - capital reinvestment	(1,292)	(1,407)	(1,497)	(1,910)
Distributions to the State of West Virginia	(43,454)	(47,847)	(235,916)	(254,211)
	<u>(45,335)</u>	<u>(49,602)</u>	<u>(240,456)</u>	<u>(257,379)</u>
<b>Net income</b>	<u>\$ 66</u>	<u>\$ 66</u>	<u>\$ 34</u>	<u>\$ 398</u>
<b>Net assets, beginning of period</b>	<u>83,217</u>	<u>64,817</u>	<u>83,188</u>	<u>64,485</u>
<b>Net assets, end of period</b>	<u>\$ 83,223</u>	<u>\$ 64,883</u>	<u>\$ 83,222</u>	<u>\$ 64,883</u>

The accompanying notes are an integral part of these financial statements.

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE FIVE MONTH PERIOD ENDED NOVEMBER 30, 2009**

(In Thousands)  
- Unaudited -

	2009	2008
<b>Cash flows from operating activities:</b>		
Cash received from customers and other sources	\$ 578,273	\$ 622,831
Cash payments for:		
Personnel costs	(4,523)	(3,691)
Suppliers	(4,457)	(11,094)
Other operating costs	(330,262)	(354,330)
Cash provided by operating activities	<u>236,031</u>	<u>253,716</u>
<b>Cash flows from noncapital financing activities:</b>		
Nonoperating distributions to the State of West Virginia	(229,230)	(239,365)
Distributions to municipalities and counties	(3,220)	(3,320)
Distributions to racetrack from racetrack cap. resrv. fund	(12,791)	(4,175)
Deferred jackpot prize obligations and related interest paid	0	(1)
Cash used in noncapital financing activities	<u>(245,241)</u>	<u>(246,861)</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets	<u>(275)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Maturities of investments held in trust	-	137
Investment earnings received	153	2,026
Cash provided by investing activities	<u>153</u>	<u>2,163</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(9,332)</b>	<b>9,018</b>
<b>Cash and cash equivalents - beginning of period</b>	<b><u>295,225</u></b>	<b><u>238,949</u></b>
<b>Cash and cash equivalents - end of period</b>	<b><u>\$ 285,893</u></b>	<b><u>\$ 247,967</u></b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 240,490	\$ 257,776
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	826	826
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(4,899)	1,776
(Increase) decrease in inventory	158	(129)
(Increase) decrease in other assets	97	(77)
Increase (decrease) in estimated prize claims	(884)	(1,599)
Increase (decrease) in accounts payable	664	(1,687)
Increase (decrease) in other accrued liabilities	(421)	(3,170)
Cash provided by operating activities	<u>\$ 236,031</u>	<u>\$ 253,716</u>

The accompanying notes are an integral part of these financial statements.

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 1 - LEGISLATIVE ENACTMENT**

The West Virginia Lottery (Lottery) was established by the State Lottery Act (Act) passed April 13, 1985, which created a special fund in the State Treasury designated as the "State Lottery Fund." The purpose of the Act was to establish and implement a state-operated lottery under the supervision of a state lottery commission (Commission) and a director. The Commission, consisting of seven members and the Director are appointed by the Governor. Under the Act, the Commission has certain powers and the duty to establish rules for conducting games, to select the type and number of gaming systems or games and to enter into contracts and agreements, and to do all acts necessary or incidental to the performance of its duties and exercise of its power and duty to operate the Lottery in a highly efficient manner. The Act provides that a minimum annual average of 45% of the gross amount received from each lottery shall be allocated for prizes and also provides for certain limitations on expenses necessary for operation and administration of the Lottery. To the extent available, remaining net profits are to be distributed to the State of West Virginia. As the State is able to impose its will over the Lottery, the Lottery is considered a component unit of the State and its financial statements are presented in the comprehensive annual financial report of the State as a blended proprietary fund component unit.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies of the Lottery is presented below.

**BASIS OF PRESENTATION** - The West Virginia Lottery is a component unit of the State of West Virginia, and is accounted for as a proprietary fund special purpose government engaged in business type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," and with accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting which requires recognition of revenue when earned and expenses when incurred. As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the Lottery has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 unless the GASB specifically adopts such FASB statements or interpretations.

The Lottery is included in the State's basic financial statements as a proprietary fund and business type activity using the accrual basis of accounting. Because of the Lottery's presentation in these financial statements as a special purpose government engaged in business type activities, there may be differences in presentation of amounts reported in these financial statements and the basic financial statements of the State as a result of major fund determination.

**USE OF ESTIMATES** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and develop assumptions that affect the amounts reported in the financial statements and related notes to financial statements. Actual results could differ from management's estimates.

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**LOTTERY GAME OPERATIONS** – The West Virginia Lottery derives its revenues from four basic types of lottery games: instant, on-line, video type games, and table games. The Lottery develops multiple game themes and prize structures to comply with its enabling legislation, including aggregate annual minimum prize provisions. All bonded retailers and agents comprised principally of grocery and convenience stores serve as the primary distribution channel for instant and on-line lottery sales to the general public.

The Lottery has contracted with a private vendor to manufacture, distribute, and provide data processing support for instant and on-line games. Under the terms of the agreements, the Lottery pays a percentage of gross revenues or gross profits for the processing and manufacture of the games.

Revenue from instant games is recognized when game tickets are sold to the retailers, and the related prize expense is recorded based on the specific game prize structure. Instant ticket sales and related prizes do not include the value of free plays issued for the purpose of increasing the odds of winning a prize.

Sales of on-line lottery tickets are made by licensed agents to the public with the use of computerized terminals. On-line games include POWERBALL®, a multi-state “jackpot” game; HOT LOTTO®, a multi-state “lotto” game; Cash25 “lotto” game; Daily 3 and 4 “numbers” games; and Travel, a daily “keno” game. Revenue is recognized when the agent sells the tickets to the public. Prize expense is recognized on the basis of actual drawing results.

Commissions are paid to instant game retailers and on-line agents at the rate of seven percent of gross sales. A portion of the commission not to exceed one and one quarter percent of gross sales may be paid from unclaimed prize moneys. The amount paid from unclaimed prize moneys is credited against prize costs. In addition, retailers and agents are paid limited bonus incentives that include prize shares on winning tickets they sold and a ticket cashing bonus on winning tickets they cash. On a weekly basis, retailers and agents must remit amounts due to the Lottery. Retailers may not be able to order additional instant tickets if payment has not been made for the previous billing period, while an agent’s on-line terminal may be rendered inactive if payment is not received each week. No one retailer or agent accounts for a significant amount of the Lottery’s sales or accounts receivable. Historically credit losses have been nominal and no allowance for doubtful accounts receivable is considered necessary.

Racetrack video lottery is a self-activated video version of lottery games. The board-operated games allow a player to place bets for the chance to be awarded credits which can either be redeemed for cash or be replayed as additional bets. The coin operated games allow a player to use coins, currency, or tokens to place bets for the chance to receive coin or token awards which may be redeemed for cash or used for replay in the coin operated games. The racetrack video lottery games’ prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as racetrack video lottery revenue “gross terminal income” equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to the private and local government entities are reported as commissions. Racetrack video lottery legislation has established specific requirements for racetrack video lottery and imposed certain restrictions limiting the licensing for operation of racetrack video lottery games to horse and dog racetracks in West Virginia, subject to local county elections permitting the same. The legislation further stipulates the distribution of revenues from racetrack video lottery games, and requires any licensed racetrack to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.



**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Limited video lottery is also a self-activated video version of lottery games, which were first placed in operation in December 2001, located in limited licensed retailer areas restricted for adult amusement. The games allow a player to use currency to place bets for the chance to receive free games or vouchers which may be redeemed for cash. The limited video lottery games' prize structures are designed to award prizes, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as limited video lottery revenue "gross terminal income" equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to private entities are reported as commissions. Limited video lottery permit holders are statutorily responsible for acquiring equipment and bearing the risk associated with the costs of operating the games.

Table games are lotteries as each game involves consideration, the possibility of a prize, and their outcome is determined predominantly by chance, which the common law of West Virginia has long held are the three essential elements of a lottery. Table games are the exclusive intangible intellectual property of the state of West Virginia. Table games legislation has established specific requirements for table games and imposed certain restrictions limiting the licensing for operation of table games to horse and dog racetracks in West Virginia, subject to local county elections permitting the same. Each racetrack licensed as an agent of the Lottery Commission to operate West Virginia table games shall have written rules of play for each table game it operates which must be approved by the Commission. All wagers and pay-offs of winning wagers shall be made according to those rules of play. For the privilege of holding a table games license, there is levied a privilege tax of thirty-five percent of each licensee's adjusted gross receipts for the operation of West Virginia Lottery table games. Amounts required by statute to be paid to private and local government entities are reported as commissions. The legislation further stipulates the distribution of revenues from West Virginia table games, and requires any licensed racetrack to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

Historic resort lottery games are a combination of self-activated video lottery games as well as table games which are located at a licensed historic resort hotel as defined by the WV Code. Video lotteries at the historic resort are board-operated games that allow a player to place bets for the chance to be awarded credits which can either be redeemed for cash or be replayed as additional bets. The coin operated games allow a player to use coins, currency, or tokens to place bets for the chance to receive coin or token awards which may be redeemed for cash or used for replay in the coin operated games.

The historic resort video lottery games' prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as historic resort lottery revenues:

- Video lottery revenues consisting of "gross terminal income" equivalent to all wagers, net of related prizes; and,
- Historic resort table games revenues consisting of a privilege tax of thirty-five percent of each licensee's adjusted gross receipts for the operation of West Virginia Lottery table games.

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Amounts required by statute to be paid to the private and local government entities are reported as commissions. The Lottery Act as amended has established specific requirements for historic resort video and table games lotteries and imposed certain restrictions limiting the licensing for operation of historic resort lottery games in West Virginia, subject to local county elections permitting the same. The legislation further stipulates the distribution of revenues from historic resort lottery games, and requires any licensed historic resort to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

**CASH AND CASH EQUIVALENTS** – Cash and cash equivalents primarily consist of interest-earning deposits with the West Virginia Board of Treasury Investments (BTI) and are recorded at fair value.

**INVENTORY** – Inventory consists of instant game tickets available for sale to approved Lottery retailers and is carried at cost.

**OTHER ASSETS** – Other assets consist primarily of deposits restricted for payment of certain Multi-State Lottery Association activities.

**CAPITAL ASSETS** – The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the year-to-date ended November 30, 2009 and November 30, 2008 approximated \$285,290 and \$308,533, respectively.

The Lottery has adopted a policy of capitalizing assets with individual amounts exceeding \$25,000. These assets include leasehold improvements, contributed and purchased equipment, comprised principally of technology property, office furnishings and equipment necessary to administer lottery games, are carried at cost. Depreciation is computed by the straight-line method using three to ten year lives.

**COMPENSATED ABSENCES** – The Lottery has accrued \$467,815 and \$371,165 of at June 30, 2009 and 2008, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in an other postemployment benefits plan (see Note 15).

**NET ASSETS** – Net assets are presented as restricted, unrestricted and invested in capital assets which represent the net book value of all property and equipment of the Lottery.

**OPERATING REVENUES AND EXPENSES** – Operating revenues and expenses for proprietary funds such as the Lottery are revenues and expenses that result from providing services and producing and delivering goods and/or services. Operating revenues for the Lottery are derived from providing various types of lottery games. Operating expenses include commissions, prize costs, other direct costs of providing lottery games, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At November 30, 2009 the carrying amounts of deposits (overdraft) with financial institutions were (\$120) thousand with a bank balance (overdraft) of (\$35) thousand. Of this balance \$100 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

A summary of the amount on deposit with the West Virginia Board of Treasury Investments (BTI) is as follows (in thousands):

	November 30, 2009	June 30, 2009
Amount on deposit with the BTI	\$ 286,013	\$ 295,248

The deposits with the BTI are part of the State of West Virginia's consolidated investment cash liquidity pool and are not separately identifiable as to specific types of securities. Investment income is pro-rated to the Lottery at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to the Lottery with overnight notice.

**NOTE 4 - CAPITAL ASSETS**

A summary of capital asset activity for the period ended November 30, 2009 is as follows (in thousands):

**Capital Assets:**

	Historical Cost At June 30, 2009	Additions	Deletions	Historical Cost At November 30, 2009
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Improvements	1,170	-	-	1,170
Equipment	16,471	275	-	16,746
	\$ 17,641	\$ 275	\$ -	\$ 17,916

**Accumulated  
Depreciation:**

	Historical Cost At June 30, 2009	Additions	Deletions	Historical Cost At November 30, 2009
Improvements	\$ 1,080	\$ 35	\$ -	\$ 1,115
Equipment	13,255	791	-	14,046
	\$ 14,335	\$ 826	\$ -	\$ 15,161

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY**

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL® jackpot lotto game and HOT LOTTO® game, on behalf of participating state lotteries. Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, and HOT LOTTO® is 50% of each drawing period's sales, with minimum jackpot levels. Revenues derived from the Lottery's participation in the MUSL POWERBALL® jackpot game for the month and year-to-date periods ended November 30, 2009 were \$3,279,960 and \$21,781,981 while related prize costs for the same periods were \$1,600,194 and \$10,933,274. Revenues derived from the Lottery's participation in the HOT LOTTO® game for the month and year-to-date periods ended November 30, 2009 were \$482,805 and \$3,101,262 while related prize costs for the same periods were \$235,089 and \$1,560,466.

MUSL places 2% of each POWERBALL® drawing period's sales in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. Currently, the MUSL Board of Directors has placed a \$75,000,000 limit on the POWERBALL® Prize Reserve Fund and a \$25,000,000 limit on the Set Prize Reserve Fund. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. At November 30, 2009 the POWERBALL® prize reserve fund had a balance of \$108,850,476 of which the Lottery's share was \$2,385,173. The Lottery has charged amounts placed into the prize reserve funds to prize costs as the related sales have occurred.

**NOTE 6 - RACETRACK VIDEO LOTTERY**

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks. Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 10 titled "Nonoperating Distributions to the State of West Virginia."

The first benchmark occurs when the current year net terminal revenue meets the fiscal year 1999 net terminal revenue. The counties and incorporated municipalities split 50/50 the two percent (2%) net terminal revenue.

The second benchmark occurs when the current year gross terminal revenue meets the fiscal year 2001 gross terminal revenue. The four percent (4%) is no longer allocated for lottery administrative costs; instead the State receives this for distribution as specified by legislation or the State budget.

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack.

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 6 - RACETRACK VIDEO LOTTERY (continued)**

After deduction of the surcharge, 55% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (11%); and the local county and incorporated municipality governments (2%). The remaining net terminal revenue (45%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 10. Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise amounts accumulated in the fund revert to the state excess lottery revenue fund.

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of 4% of the amount wagered. A summary of racetrack video lottery revenues for the month ended November 30, 2009 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2009	2008	2009	2008
Total credits played	\$ 641,976	\$ 669,455	\$ 3,523,743	\$ 3,666,585
Credits (prizes) won	(577,282)	(603,603)	(3,174,333)	(3,307,388)
Promotional credits played	(3,486)	-	(19,217)	-
MWAP Contributions	(410)	(342)	(1,837)	(1,988)
Gross terminal income	58,798	65,510	328,356	357,209
Administrative costs	(1,074)	(1,225)	(11,487)	(12,227)
Net Terminal Income	57,724	64,285	316,869	344,982
Less distribution to agents	(32,192)	(35,982)	(191,185)	(207,827)
Racetrack video lottery revenues	<u>\$ 25,532</u>	<u>\$ 28,303</u>	<u>\$ 125,684</u>	<u>\$ 137,155</u>

A summary of video lottery revenues paid or accrued for certain state funds to conform with the legislation follows (in thousands):

	November 30, 2009	Year-to-Date
State Lottery Fund	\$ 7,729	\$ 83,910
State Excess Lottery Revenue Fund	14,379	16,815
Capital Reinvestment Fund	1,289	1,492
Tourism Promotion Fund 1.375%	734	4,286
Development Office Promotion Fund .375 %	200	1,169
Research Challenge Fund .5 %	267	1,538
Capitol Renovation & Improvement Fund .6875 %	367	2,143
Parking Garage Fund .0625 %	33	195
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capital Resources Fund .5 %	267	1,308
Capitol Domes & Capitol Improvements Fund .5 %	267	1,308
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 25,532</u>	<u>\$ 125,684</u>

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 7 - LIMITED VIDEO LOTTERY**

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended November 30, 2009 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2009	2008	2009	2008
Total credits played	\$ 367,198	\$ 387,663	\$ 1,918,726	\$ 2,037,735
Credits (prizes) won	(336,075)	(356,042)	(1,753,657)	(1,870,290)
Gross terminal income	\$ 31,123	\$ 31,621	\$ 163,069	\$ 167,445
Administrative costs	(623)	(632)	(3,262)	(3,349)
Gross Profit	30,500	30,989	159,807	164,096
Commissions	(15,250)	(15,494)	(79,904)	(82,048)
Municipalities and Counties	(610)	(620)	(3,196)	(3,282)
Limited video lottery revenues	<u>\$ 14,640</u>	<u>\$ 14,875</u>	<u>\$ 76,707</u>	<u>\$ 78,766</u>

**NOTE 8 -- TABLE GAMES**

Table Games legislation passed in 2007 per House Bill 2718. Table games include blackjack, roulette, craps, and various types of poker. Each racetrack licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts which will be deposited weekly into the Racetrack Table Games Fund.

From the gross amounts deposited into the Racetrack Table Games Fund, the Commission, on a monthly basis shall:

Retain 3% of the adjusted gross receipts for administrative expenses of which at least \$100,000 and not more than \$500,000 annually will be transferred to the Compulsive Gambling Treatment Fund. Transfer two and one-half percent of adjusted gross receipts from all thoroughbred racetracks with West Virginia

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 8 - TABLE GAMES (continued)**

Lottery table games to the special funds established by each thoroughbred racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee and transfer two and one-half percent of adjusted gross receipts from all grayhound racetracks with West Virginia Lottery table games to the special funds established by each grayhound racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee. Transfer two percent of the adjusted gross receipts from all licensed racetracks to the Thoroughbred Development Fund and the Greyhound Breeding Development Fund to be divided pro rata among the development funds. Transfer one percent of the adjusted gross receipts from each licensed racetrack to the county commissions of the counties where racetracks with West Virginia Lottery table games are located to be divided pro rata among the counties. Transfer two percent of the adjusted gross receipts from each licensed racetrack to the governing bodies of municipalities within counties where racetracks with West Virginia Lottery table games are located as prescribed by statute. And transfer one-half of one percent of the adjusted gross receipts to the governing bodies of municipalities in which a racetrack table games licensee is located to be divided equally among the municipalities. The Commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

- 1) Transfer four percent into a special fund to be established by the Racing Commission to be used for payment into the pension plan for all employees of each licensed racing association;
- 2) Transfer ten percent, to be divided and paid in equal shares, to each county commission in the state where table games are not located;
- 3) Transfer ten percent, to be divided and paid in equal shares, to the governing bodies of each municipality in the state where table games are not located; and
- 4) Transfer seventy-six percent to the State Debt Reduction Fund.

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year-to-date periods ended November 30, 2009 were \$6,453,016 and \$38,411,231, respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2009	2008	2009	2008
Table Games Privilege Tax	\$ 2,259	\$ 2,885	\$ 13,444	\$ 13,670
Interest on Table Games Fund	-	3	1	17
Administrative costs	(194)	(247)	(1,152)	(1,172)
Total Available for Distribution	<u>2,065</u>	<u>2,641</u>	<u>12,293</u>	<u>12,515</u>
<b>Less Distributions:</b>				
Racetrack Purses Funds	161	206	960	976
Thoroughbred & Greyhound Development Funds	129	165	768	781
Racing Association Pension Plan	62	80	369	376
Municipalities/ Counties	<u>536</u>	<u>685</u>	<u>3,189</u>	<u>3,245</u>
Total Distributions	<u>888</u>	<u>1,136</u>	<u>5,286</u>	<u>5,378</u>
State Debt Reduction Fund	<u>\$ 1,177</u>	<u>\$ 1,505</u>	<u>\$ 7,007</u>	<u>\$ 7,137</u>

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 9 – HISTORIC RESORT HOTEL**

In 2009, the Legislature passed Senate Bill 575 which permits video lottery and table games at a licensed historic resort hotel which is defined as “a resort hotel registered with the United States Department of the Interior as a national historic landmark in its National Registry of Historic Places having not fewer than five hundred guest rooms under common ownership and having substantial recreational guest amenities in addition to the gaming facility.”

Historic Resort Video Lottery

According to Senate Bill 575, thirty six percent (36%) of gross terminal income is allocated to Historic Resort Hotel Fund and seventeen percent (17%) of gross terminal income is allocated to the Human Resource Benefit Fund. The remaining forty-seven percent (47%) of gross terminal income is then subject to a ten percent (10%) surcharge which is allocated to separate capital reinvestment funds for each licensed historic resort hotel. The remaining forty-two and three-tenths percent (42.3%) of gross terminal income is retained by the historic resort hotel. A summary of historic resort hotel video lottery revenues for the month ended November 30, 2009 and year-to-date follows (in thousands):

	<u>Current Month</u>	<u>Year-to-Date</u>
Total credits played	\$ 717	\$ 974
Credits (prizes) won	(641)	(871)
Promotional credits played	-	-
	<hr/>	<hr/>
Gross terminal income	76	103
Capital reinvestment	(4)	(5)
Administrative costs	(4)	(5)
Commissions	(32)	(44)
	<hr/>	<hr/>
Net terminal income	36	49
Historic Resort Hotel Fund	23	32
Human Resource Benefit Fund	13	17

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year-to-date periods ended November 30, 2009 were \$161,179 and \$256,652, respectively.



**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 9 – HISTORIC RESORT HOTEL (continued)**

The following table shows the month and year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	<u>Current Month</u>	<u>Year-to-Date</u>
Table games privilege tax	\$ 56	\$ 90
Administrative Costs	<u>(7)</u>	<u>(12)</u>
Total Available for Distribution	49	78
Historic Resort Hotel Fund	41	65
Human Resource Benefit Fund	8	13

Historic Resort Hotel Fund

Of the monies deposited into the Historic Resort Hotel Fund, fifteen percent (15%) is allocated for lottery administrative costs. The remaining Historic Resort Hotel Fund net income (gross deposits less 15%) is distributed as follows:

- 1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund;
- 2) Nineteen percent (19%) is paid to the State Debt Reduction Fund;
- 3) Three percent (3%) is paid to the State of West Virginia Tourism Promotion Fund;
- 4) Four percent (4%) is paid to the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 7) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 8) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

A summary of Historic Resort Hotel Fund revenues and related distributions is as follows (in thousands):

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 23	\$ 32
Historic Resort Table Games	41	65
Interest on Historic Resort Hotel Fund	<u>-</u>	<u>-</u>
Historic Resort Hotel Fund Net Income	64	97
Municipalities/ Counties	9	14
State General Revenue Fund	41	62
State Debt Reduction Fund	12	18
State Tourism Promotion Fund	2	3
Total Distributions	<u>\$ 64</u>	<u>\$ 97</u>

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
 -Unaudited-

**NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA**

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2010 the State Legislature budgeted \$166,010,000 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000 and \$1,000,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$3,920,843 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended November 30, 2009 the Lottery made such distributions and accrued additional distributions of \$40,086,071. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature. Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. As of November 30, 2009 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$647,214.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations. Note 8 describes the Table Games Act and the statutory distributions required to be made from table games operations. Note 9 describes the Historic Resort Hotel statutory distributions to be made from historic resort operations.

A summary of the cash distributions made to certain state agencies to conform to the legislation follows (in thousands):

<u>BUDGETARY DISTRIBUTIONS</u>	<u>November 30, 2009</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ -	\$ -
Bureau of Senior Services	6,863	48,525
Department of Education	4,122	29,141
Library Commission	1,344	9,499
Higher Education-Policy Commission	1,670	11,809
Tourism	913	6,454
Natural Resources	414	2,927
Division of Culture & History	706	4,990
Department of Education & Arts	143	1,011
Building Commission	1,000	5,000
School Building Authority	1,800	9,000
Total State Lottery Fund	<u>\$ 18,975</u>	<u>\$ 128,356</u>

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA**  
**(continued)**

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,900	\$ 9,500
Higher Education Improvement Fund	1,000	5,000
General Purpose Account	14,493	20,180
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	-	-
School Building Authority	1,021	5,304
Refundable Credit	-	719
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	\$ 18,414	\$ 69,703

Total Budgetary distributions:	\$ 37,389	\$ 198,059
--------------------------------	-----------	------------

Veterans Instant-Ticket Fund	\$ 49	\$ 206
------------------------------	-------	--------

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 680	\$ 4,326
Development Office Promotion Fund .375%	186	1,180
Research Challenge Fund .5%	247	1,573
Capitol Renovation & Improvement Fund .6875%	340	2,163
Parking Garage Fund .0625 %	31	197
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	248	1,228
Capitol Dome & Cap. Improvements Fund .5%	248	1,419
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 1,980	\$ 23,586

Table Games State Debt Reduction Fund	\$ 1,404	\$ 7,351
---------------------------------------	----------	----------

Historic Resort Hotel distributions:

State General Revenues Fund	\$ 21	\$ 21
State Debt Reduction Fund	6	6
Tourism Promotion Fund	1	1
Total	\$ 28	\$ 28

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 40,850	\$ 229,230
-----------------------------------------------------------------------------	-----------	------------

Accrued nonoperating distributions, beginning	(206,266)	(202,184)
-----------------------------------------------	-----------	-----------

Accrued nonoperating distributions, end	208,870	208,870
-----------------------------------------	---------	---------

	\$ 43,454	\$ 235,916
--	-----------	------------

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 11 – RESTRICTED NET ASSETS**

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. The lottery contributed \$10,817,386 to the fund for fiscal year 2009 plus related interest of \$566,293.

**NOTE 12 – COMMITMENTS**

The Lottery Commission has set aside funds as unrestricted net assets for the acquisition of future assets. As of June 30, 2009, a balance of \$12,817,601 is available for this purpose.

**NOTE 13 - RETIREMENT BENEFITS**

All full-time Lottery employees are eligible to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee retirement system. The PERS is one of several plans administered by the West Virginia Consolidated Public Retirement (CPRB) under the direction of its Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, Secretary of the Department of Administration, and nine members appointed by the Governor. CPRB prepares separately issued financial statements covering all retirement systems it administers, which can be obtained from Consolidated Public Retirement Board, Building 5, Room 1000, State Capitol Complex, Charleston, West Virginia 25305-0720.

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 10.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the period ending November 30, 2009 are as follows (in thousands):

	November 30, 2009	Year-to-Date
Lottery contributions	\$ 61	\$ 318
Employee contributions	25	130
Total contributions	\$ 86	\$ 448

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 14 - RISK MANAGEMENT**

The Lottery is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Lottery participates in several risk management programs administered by the State of West Virginia. Each of these risk pools has issued separate audited financial reports on their operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

**WEST VIRGINIA WORKERS' COMPENSATION COMMISSION (WCC)**

The State of West Virginia operated an exclusive state-managed workers' compensation insurance program (WCC) prior to December 31, 2005. A framework for the privatization of workers' compensation insurance in West Virginia was established with the passage of Senate Bill 1004 and the WCC trust fund was terminated effective December 31, 2005. A privatized business entity, BrickStreet Administrative Services (BAS), was established and became the administrator of the WCC Old Fund, beginning January 1, 2006, and thereafter for seven years, and will have all administrative and adjudicatory authority previously vested in the WCC trust fund in administering old law liabilities and otherwise processing and deciding old law claims. BAS will be paid a monthly administrative fee and rated premium to provide a prompt and equitable system for compensation for injury sustained in the course of and growing out of employment. The monthly administrative fee for the West Virginia Lottery has been set at a level consistent with prior year payments and the new rate or premium will be established on an experience rated basis. The West Virginia Lottery is required to participate in the new BrickStreet Administrative Services (BAS) experience rated pool, which is expected to be rate adjusted on a quarterly basis.

**PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)**

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher education, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a base employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Underwriting and rate setting policies are established by PEIA. The cost of all coverage as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees and level of compensation. Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage.

The PEIA risk pool retains all risks for the health and prescription features of its indemnity plan. PEIA has fully transferred the risks of coverage to the Managed Care Organization (MCO) Plan to the plan provider, and has transferred the risks of the life insurance coverage to a third party insurer. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 205,000 individuals, including participants and dependents.

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 14 - RISK MANAGEMENT (continued)**

**BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)**

The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first \$1 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer under this program is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

**NOTE 15- OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The Lottery participates in the West Virginia Other Postemployment Benefits Plan (OPEB Plan) of the West Virginia Retiree Health Benefit Trust Fund (Trust), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57<sup>th</sup> Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

Funding Policy

The Code requires the OPEB Plan bill the participating employers 100% of the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The ARC rate is \$388 and \$461 per employee per month for the years ending June 30, 2009 and 2008 respectively. Through June 30, 2009 and 2008, the Lottery has paid premiums of \$185,563 and \$98,625. For year ended June 30, 2008 (initial year of the Lottery's participation in the Trust), the State of West Virginia, on the Lottery's behalf, paid \$472,247 towards the Annual Required Contribution. As of June 30, 2009 and 2008, the Lottery has recorded a liability of \$251,867 and \$10,073 on its balance sheet for OPEB.

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 16- NEW ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) issued Statement No. 50, Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27, in 2007. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The reporting changes required by this Statement amend applicable note disclosure and RSI requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 27, Accounting for Pensions by State and Local Governmental Employers, to conform with requirements of Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This Statement is effective for periods beginning after June 15, 2007, and management has not yet determined what impact, if any, it will have on the financial statements.

WEST VIRGINIA LEGISLATURE  
*Office of the Legislative Auditor*

*Budget Division  
Building 1, Room 314-West Wing  
1900 Kanawha Blvd. East  
Charleston, WV 25305-0590*



, 304-347-4870

Memorandum

To: Honorable Senate President Tomblin  
Honorable House of Delegates Speaker Thompson  
Honorable Members of the Joint Committee on Government and  
Finance

From: Ellen Clark, C.P.A. *EC*  
Director Budget Division  
Legislative Auditor's Office

Date: January 4, 2010

Re: Status of General Revenue Fund December 31, 2009

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the months of July - December of fiscal year 2009-2010. The status of the fund collections are as follows:

The net collections were **101.02%** of the estimate for the fiscal year as of December 31, 2009. **The amount ABOVE estimate was \$ 18 million for the year.**

Personal Income Tax collections were \$ 37.2 million under the estimate for the fiscal year.

Consumer sales and use tax collections were \$27.3 million under the estimate for the fiscal year.

Severance tax collections were \$ 68.5 million over the estimate for the fiscal year.

*Joint Committee on Government and Finance*



Corporate income and business franchise collections were \$ 27 million above the estimate for the year.

**State Road Fund**

The state road fund was collected at 99.13% of the estimate for the months of July - December 2009. Privilege tax collections were \$ 7 million under the estimate. Gasoline tax was \$ 4.5 million above the estimate. The entire fund was \$ 2.7 million below the estimate for the year.

**Rainy Day and Personal Income Tax Reserve**

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$ \$270,911,909.66 as of December 31, 2009.

Balance July 1, 2009	236,619,572.54
Cash flow loan to General Revenue on July 1, 2009. To be repaid 90 days. Repaid Sept. 2009.	- 56,000,000.00 +56,000,000.00
Revenues July 1, 2008-June 30, 2009 (Surplus from FY 2009 transferred in August 2009.)	11,067,940.23
Earnings	23,224,396.27
Balance December 31, 2009	270,911,909.66

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 271,318,539.47 as of December 31, 2009.

Balance July 1, 2009	236,006,002.65
Earnings	35,312,536.82
Balance August 31, 2009	271,318,539.47

The Special Income Tax Reserve Fund had a cash balance of \$45,019,319.21 as of December 31, 2009.

Balance July 1, 2009	45,019,319.21
Revenues	-0-

Gen Rev /State Road

Balance December 31, 2009	45,019,319.21
---------------------------	---------------

**MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND**

Motor Fuel Excise Tax Shortfall Reserve Fund had a cash balance of zero on December 31, 2009. This fund was created by HB 218 during the June 2008 special session to act as a reserve fund when the highways motor fuel excise tax fails to meet monthly revenue estimates. Fund closed as of December 11, 2009, per senate Bill 4004. Balance sent to State Road Fund.

Balance July 1, 2009 Appropriated by supplemental SB 2019, June 2008	\$ 27,319,224.03
Transfers out to Highways Fund Entire amount transferred to Highways Fund on Dec. 11, 2009 per Senate Bill 4004.	-27,319,224.03
Balance December 31, 2009	-0-

Monthly Revenue Estimates  
as of December 31, 2009, WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	112,450,000	116,215,908	3,765,908	700,250,000	663,044,580	-37,205,421
Consumer Sales Tax & Use Tax	92,400,000	86,666,330	-5,733,670	575,100,000	547,756,111	-27,343,889
Severance Tax	19,200,000	42,593,097	23,393,097	124,700,000	193,294,054	68,594,054
Corp Income /Business Franchise	42,500,000	50,819,263	8,319,263	107,000,000	134,773,824	27,773,824
Business and Occupation	6,500,000	10,447,566	3,947,566	60,800,000	57,733,211	-3,066,789
Cigarette Tax	8,900,000	9,176,194	276,194	55,000,000	56,361,033	1,361,033
Insurance Tax	100,000	18,673	-81,327	51,900,000	50,121,660	-1,778,340
HB 102 - Lottery Transfers	26,700,000	25,449,457	-1,250,543	48,400,000	45,628,921	-2,771,079
Interest Income	2,100,000	1,958,489	-141,511	12,500,000	8,095,856	-4,404,144
Liquor Profit Transfers	1,300,000	1,112,849	-187,151	8,320,000	6,903,051	-1,416,949
Property Transfer Tax	800,000	728,684	-71,316	5,700,000	4,459,460	-1,240,540
Departmental Collections	1,200,000	791,652	-408,348	5,600,000	5,148,083	-453,917
Beer Tax and Licenses	580,000	541,232	-38,768	4,080,000	3,988,811	-91,189
Property Tax	100,000	172,010	72,010	3,300,000	3,421,409	121,409
Smokeless Tobacco Tax	400,000	175,391	-224,609	2,850,000	2,446,897	-403,103
Business Franchise Fees	30,000	21,266	-8,734	690,000	584,677	-105,323
Miscellaneous Receipts	100,000	175,720	75,720	650,000	723,789	73,789
Miscellaneous Transfers	0	0	0	500,000	239,287	-260,713
Racing Fees	110,000	10,180	-99,820	450,000	120,866	-329,135
Refundable Credit Reim LTY	0	0	0	120,000	718,865	598,865
Charter Tax	0	22,453	22,453	0	93,008	93,008
Telecommunications Tax	0	15,399	15,399	0	-12,662	-12,662
Estate and Inheritance Tax	0	0	0	0	26,146	26,146
Video Lottery Transfers	0	216,042	216,042	0	339,398	339,398
Special Revenue Transfer	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
<b>TOTALS</b>	<b>315,470,000</b>	<b>347,327,855</b>	<b>31,857,855</b>	<b>1,767,910,000</b>	<b>1,786,008,333</b>	<b>18,098,333</b>
Minus Cash Flow Transfer	0	0	0	0	0	0
Percent of Estimates		<b>110.10%</b>				
<b>TOTALS</b>	<b>315,470,000</b>	<b>347,327,855</b>	<b>31,857,855</b>	<b>1,767,910,000</b>	<b>1,786,008,333</b>	<b>18,098,333</b>
Percent of Estimates		<b>110.10%</b>			<b>101.02%</b>	
Collections this day		<b>22,519,408</b>				

STATE ROAD FUND FY 2009-2010  
 Monthly Revenue Estimates July 2009  
 as of December 31, 2009 WVFIMS

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	34,000,000	43,961,520	9,961,520	190,700,000	195,217,677	4,517,677
Privilege Tax	9,974,000	10,885,894	911,894	79,477,000	71,529,357	-7,947,644
Licenses & Registration	5,910,000	6,951,445	1,041,445	38,367,000	39,058,147	691,147
Highway Litter Control	112,000	124,736	12,736	725,000	757,936	32,936
<b>TOTALS</b>	<b>49,996,000</b>	<b>61,923,595</b>	<b>11,927,595</b>	<b>309,269,000</b>	<b>306,563,117</b>	<b>-2,705,883</b>

Percent of Estimates

123.86%

99.13%

Collections this day

7,146,606

**MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND  
 CASH BALANCE WITH TREASURER**

AS OF December 11, 2009: \$00.00. Transferred to State Road Fund per SB 4004

REVENUE SHORTFALL RESERVE FUND A AS OF December 1, 2009 : \$270,062,226.88

REVENUE SHORTFALL RESERVE FUND B AS OF December 1, 2009 : \$267,833,341.99

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF December 1, 2009: \$45,019,319.21

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE  
Office of the Legislative Auditor

Budget Division  
Building 1, Room 314-West Wing  
1900 Kanawha Blvd. East  
Charleston, WV 25305-0590



, 304-347-4870

To: Honorable Senate President Tomblin  
Honorable House of Delegates Speaker Thompson  
Honorable Members of the Joint Committee on Government  
and Finance

From: Ellen Clark, C.P.A. *EC*  
Director Budget Division  
Legislative Auditor's Office

Date: January 4, 2010

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the November 30, 2009 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. November 2009 is the fifth month of fiscal year 2009-2010.

For the fiscal year 2009-2010, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2009	\$193,165,088.22
Receipts July 1, 2009 thru June 30, 2010	\$196,945,990.65
Disbursements July 1, 2009 thru June 30, 2010	\$244,450,420.38
Balance November 30, 2009	\$145,660,658.49

ITEMS OF NOTE:

Regular benefits paid for July - November 2009 were \$92 million more than in July - November 2008.

Unemployment *Joint Committee on Government and Finance*

Total disbursements were \$ 169 million more than the same months of the preceding fiscal year.

Receipts in July - November were \$ 123 million more than in July - November 2008. Overall ending trust fund balance was \$ 104 million less as of November 30, 2009 than on November 30, 2008.

West Virginia's unemployment rate for the month of November 2009 was 7.9 percent. National unadjusted employment rate was 9.4%.

Seasonally adjusted unemployment rates were 8.4 percent for West Virginia and 10% percent nationally.

Since November 2008 employment has decreased 17,500. Gains were 1,900 in professional and business services; 1,400 in educational and health services; and 700 in government. Declines were 6,500 in trade, transportation and utilities; 4,800 in manufacturing; 4,700 in mining and logging; 2,300 in construction; 1,300 in leisure and hospitality; 700 in financial activities; 600 in information; 600 in other services.

Unemployment

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
FOR THREE MONTHS STARTING SEPTEMBER 2008 AND SEPTEMBER 2009**

	SEPTEMBER 08	OCTOBER 08	NOVEMBER 08	SEPTEMBER 09	OCTOBER 09	NOVEMBER 09	THREE MONTH TOTAL VARIANCE *
<b>Balance Forward</b>	<u>\$258,072,768.91</u>	<u>\$250,357,891.57</u>	<u>\$248,422,765.62</u>	<u>\$181,993,574.40</u>	<u>\$168,094,280.32</u>	<u>\$154,600,094.39</u>	<u>(\$250,195,444.99)</u>
<b>Add Receipts:</b>							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$843,084.37	\$8,410,393.17	\$12,709,009.00	\$1,033,507.58	\$11,145,336.81	\$22,030,369.50	\$12,248,727.43
3. Federal Emergency Benefits (EUC08)	\$5,569,269.00	\$3,255,096.00	\$2,226,457.00	\$12,432,429.99	\$12,685,450.43	\$16,108,203.94	\$30,178,242.36
4. Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$3,839,413.77	\$3,899,884.43	\$2,418,681.54	\$10,128,079.74
5. Temp Federal Additional Comp (FAC)	\$0.00	\$0.00	\$0.00	\$4,158,152.00	\$3,834,369.00	\$4,124,306.00	\$12,116,827.00
6. UCFE (Federal Agencies)	\$71,000.00	\$60,000.00	\$62,758.00	\$210,489.95	\$207,179.29	\$262,192.24	\$466,103.48
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$2,996,323.42	\$0.00	\$0.00	\$11,058,877.00	\$0.00	\$0.00	\$11,058,877.00
11. UCX (Military Agencies)	\$261,000.00	\$252,000.00	\$270,345.00	\$2,066,520.18	\$0.00	\$0.00	(\$931,803.24)
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$320,153.62	\$260,079.22	\$329,718.26	\$146,606.10
13. CMA Receipts	\$0.00	\$0.00	\$0.00	\$8,493.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Receipts</b>	<u>\$9,739,699.79</u>	<u>11,977,489.17</u>	<u>\$15,268,569.00</u>	<u>\$35,128,037.07</u>	<u>\$32,022,399.28</u>	<u>\$45,271,471.48</u>	<u>\$75,434,162.87</u>
<b>Less Disbursements:</b>							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	10,006,302.26	10,466,886.66	10,933,341.80	\$28,807,294.01	\$24,851,224.51	\$28,972,815.54	\$51,224,793.14
Federal Emergency Benefits (EUC08)	5,108,944.00	3,113,489.00	2,495,908.00	\$11,784,833.99	\$12,652,895.43	\$17,204,760.94	\$30,928,150.36
Federal Share Extended Benefits (EB)	0.00	0.00	0.00	\$3,938,758.49	\$3,588,753.69	\$2,866,421.39	\$10,393,931.57
Emergency Benefits (TEUC)	(423.00)	(615.00)	(\$433.00)	(\$2,150.00)	(\$195.00)	(\$830.00)	(\$1,504.00)
Temp Federal Additional Comp (FAC)	0.00	0.00	0.00	\$3,950,878.00	\$3,798,204.00	\$4,420,048.00	\$12,169,125.00
UCFE (Federal Workers) Benefits	72,743.24	64,290.16	77,169.98	\$186,185.62	\$261,521.33	\$331,925.75	\$566,419.32
UCX (Military Workers) Benefits	269,036.83	268,534.10	331,856.91	\$312,071.64	\$356,152.69	\$410,650.61	\$209,448.60
Reed Act Funds	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Administrative Transfer**	\$0.00	\$0.00	0.00	\$7,494.40	\$18,027.56	\$4,917.15	\$30,439.11
<b>Total Monthly Disbursements</b>	<u>\$15,454,602.13</u>	<u>13,912,585.12</u>	<u>\$13,637,633.39</u>	<u>\$48,995,331.15</u>	<u>\$45,516,585.21</u>	<u>\$54,210,907.38</u>	<u>\$105,517,803.10</u>
<b>Trust Fund Balance</b>	<u>\$250,357,891.57</u>	<u>248,422,765.62</u>	<u>\$249,653,501.23</u>	<u>\$168,094,280.32</u>	<u>\$154,600,094.39</u>	<u>\$145,600,658.49</u>	<u>(\$280,279,095.22)</u>

\* Three month total variance column is the difference between the sum of the previous year's three months data for each category and the current year's three months data. The purpose of the report is to show significant changes in receipts, disbursements, or balances.

\*\*The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,569,799 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 26, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.



# Prescription Drug Report November 2009

*West Virginia Legislative Interims  
January 2010*



WV PEIA - Monthly Trend

Plan Demographics	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	2009 - 2010 Fiscal	2008 - 2009 Fiscal	% Change
Total Drug Cost	\$12,462,873	\$13,268,142	\$13,871,068	\$14,768,948	\$15,878,988	\$68,328,111	\$63,216,822	8.06%
Amount Paid By Plan Sponsor	\$7,711,097	\$10,131,718	\$11,047,798	\$11,874,798	\$11,483,884	\$62,219,090	\$47,752,679	9.35%
Amount Paid By Members	\$4,761,877	\$3,128,424	\$2,823,280	\$2,881,160	\$2,526,312	\$18,109,022	\$15,467,243	4.15%
Total Claims	198,453	204,547	217,146	235,605	220,810	1,074,661	998,520	7.49%
Average Eligible Member	162,228	162,481	163,415	164,742	168,228	163,812	158,838	3.14%
Average # of Rx's Per Member Per Month	1.21	1.28	1.33	1.43	1.34	1.31	1.28	4.22%
Plan Paid Per Member Per Month (PMPM)	\$47.53	\$62.37	\$67.81	\$72.08	\$69.32	\$63.63	\$60.20	6.03%
Average Eligible Enrollees	74,991	74,667	75,147	75,821	76,108	76,267	73,006	3.10%
Average # of Rx's Per Enrollee Per Month	2.63	2.74	2.89	3.11	2.90	2.68	2.74	4.26%
Plan Paid Per Enrollee Per Month (PEPM)	\$103.38	\$136.69	\$147.02	\$166.62	\$160.49	\$138.78	\$130.62	6.07%
Rx Cost Share								
Avg. Claim Cost to Plan	\$39.25	\$49.63	\$60.98	\$60.40	\$51.88	\$48.88	\$47.78	1.74%
Avg. Member Cost/Claim	\$24.18	\$16.28	\$13.00	\$12.23	\$11.44	\$14.99	\$15.47	-3.10%
Percent member Cost Share	38.1%	23.6%	20.4%	19.5%	18.1%	23.6%	24.6%	-3.64%
Average Ingredient Costs								
Single Source (no generics available)	\$189.58	\$181.82	\$191.50	\$181.24	\$188.92	\$187.99	\$173.88	6.05%
Multi-Source Brand (generics available)	\$63.18	\$66.70	\$79.48	\$79.05	\$68.98	\$73.84	\$44.41	65.81%
Generic Drugs	\$18.42	\$19.60	\$18.28	\$18.08	\$19.60	\$19.37	\$18.28	0.66%
Brand/Generic Dispensing Rates								
Single Source (no generics)	24.84%	26.18%	24.73%	25.6%	24.94%	25.08%	27.24%	-7.93%
Multi-Source Brand % (generics available)	0.95%	0.93%	0.99%	0.9%	0.98%	0.96%	0.97%	-0.83%
Generic Drug	74.21%	73.83%	74.28%	73.4%	74.08%	73.96%	71.79%	3.02%
Generics Dispensed when available	98.74%	98.69%	98.69%	98.8%	98.70%	98.72%	99.67%	0.05%
Percent of Plan Cost for Single Source	85.42%	81.44%	79.88%	79.2%	78.26%	80.49%	81.18%	-0.86%
Retail Pharmacy Program								
Avg. Day Supply	33.1	33.8	32.9	31.6	32.3	32.7	32.7	0.16%
Avg. Plan Cost/Day Supply	\$1.17	\$1.45	\$1.53	\$1.58	\$1.59	\$1.47	\$1.45	1.50%
Avg. Claim Cost to Plan	\$38.88	\$49.08	\$50.38	\$50.00	\$51.42	\$48.18	\$47.37	1.67%
Avg. Member Cost / Claim	\$24.03	\$15.16	\$12.80	\$12.16	\$11.37	\$14.88	\$16.37	-3.17%
Percent Member Cost Share	38.21%	23.58%	20.38%	19.8%	18.11%	23.61%	24.50%	-3.64%
Special Maint Netwk (% of claims filled)	11.88%	12.49%	12.25%	11.8%	11.92%	11.96%	11.57%	3.30%
Other Maint (% of claims filled)	0.68%	0.72%	0.73%	0.7%	0.67%	0.70%	0.68%	17.68%
Avg. Days Supply for Maint. Netwks	87.3	87.3	87.4	87.3	87.3	87.3	87.8	-0.18%
Total # Claims Fills 1-34 Days Supply	168,142	173,324	184,689	202,488	188,823	817,444	691,626	8.43%
Total # Claims Fills 35-60 Day Supply	1,548	1,888	1,738	1,810	1,747	8,508	7,100	19.70%
Total # Claims Fills 61-90 Day Supply	24,656	27,433	28,718	28,198	28,330	139,330	122,304	13.10%
Total # Claims Fills 91+ Day Supply	37	51	53	41	63	235	16	1468.67%
Mail Service Program								
Avg. Days Supply	71.8	71.8	71.3	71.2	69.8	71.1	73.0	-2.66%
Avg. Plan Cost/Days Supply	\$1.06	\$1.31	\$1.48	\$1.36	\$1.42	\$1.32	\$1.28	4.84%
Avg. Cost to Plan	\$78.39	\$93.71	\$105.43	\$98.09	\$99.31	\$94.01	\$92.21	1.86%
Avg. Member Cost/Claim	\$38.88	\$28.79	\$24.55	\$19.97	\$18.41	\$26.20	\$26.66	-1.69%
Percent Member Cost Share	33.72%	23.50%	18.69%	17.1%	18.64%	21.79%	22.42%	-2.80%
Total # Claims Fill 1-34 Days Supply	603	616	694	628	638	3,079	2,407	27.92%
Total # Claims Fills 35-60 Days Supply	11	8	8	12	12	51	23	121.74%
Total # Claims Fills 61-90 Days Supply	1,458	1,450	1,369	1,432	1,307	7,017	6,346	10.57%
Total # Claims Fills 91+ Day Supply	0	0	0	0	0			
Formulary Program								
S/S Formulary Drugs (% by claim)	20.24%	20.62%	20.34%	21.5%	20.72%	20.70%	22.42%	-7.68%
S/S Non-Formulary Drugs (% by claim)	4.90%	4.57%	4.39%	4.2%	4.22%	4.38%	4.62%	-9.08%
M/S Drugs (% by claim)	0.88%	0.98%	0.99%	0.9%	0.98%	0.98%	0.97%	-0.88%
Generic Drugs (% by claim)	74.21%	73.83%	74.28%	73.4%	74.08%	73.96%	71.79%	3.02%
S/S Formulary Drugs (% by \$)	78.30%	72.29%	70.82%	70.5%	69.49%	71.81%	73.66%	-2.79%
s/s non-Formulary Drugs (% by \$)	9.12%	9.16%	9.28%	8.7%	8.77%	8.86%	7.63%	17.70%
M/S Drugs (% by \$)	0.62%	0.73%	1.02%	1.0%	1.13%	0.90%	0.35%	154.16%
Generic Drugs (% by \$)	14.06%	17.84%	18.11%	18.8%	20.62%	18.51%	16.45%	0.83%
Specialty Drugs								
Total Drug Cost	\$1,474,493	\$1,623,284	\$1,628,720	\$1,631,192	\$1,533,271	\$7,790,940	\$8,708,708	18.13%
Amount Paid by Plan Sponsor	\$1,408,968	\$1,489,872	\$1,589,820	\$1,582,605	\$1,497,180	\$7,572,458	\$8,508,084	18.36%
Amount Paid by Members	\$66,525	\$33,392	\$38,900	\$38,587	\$36,091	\$218,482	\$202,624	7.53%
Total Claims	749	718	755	780	720	3,729	3,487	7.56%
Avg # of Rx's per Member per Month	0.00	0.00	0.00	0.005	0.004	0.005	0.004	4.20%
Plan Paid Per Member Per Month (PMPM)	\$8.69	\$9.13	\$9.73	\$9.67	\$9.05	\$9.28	\$9.20	12.68%
Avg Claim Cost to Plan	\$1,881.13	\$2,083.80	\$2,105.72	\$2,041.80	\$2,062.29	\$2,030.69	\$1,978.57	8.21%
Avg Claim Cost to Member	\$87.48	\$54.70	\$51.52	\$49.47	\$49.70	\$58.69	\$58.44	0.25%
Percent of Member Cost Share	4.44%	2.59%	2.33%	2.37%	2.35%	2.80%	3.02%	-7.15%
Percent of Overall Drug Spend	11.83%	11.49%	11.74%	11.06%	10.97%	11.40%	10.61%	7.45%



## Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 11/2009 - 11/2009

Previous Period: 11/2008 - 11/2008

	Current Period	Previous Period	% Change
<b>Overall Performance</b>			
Plan Cost PMPM	\$69.59	\$63.89	8.9 %
Average Mbrs/Month	165,228	159,875	3.3 %
Average Subs/Month	76,108	73,595	3.4 %
% Utilizing Members	48.3 %	44.4 %	4.3 %
% Retail Utilizing Members	48.1 %	44.2 %	4.3 %
% Mail Utilizing Members	0.6 %	0.5 %	12.4 %
<b>Rx Measures</b>			
Rxs PMPM	1.34	1.26	6.8 %
Retail Rxs PMPM	1.33	1.25	6.8 %
Mail Rxs PMPM	0.01	0.01	6.7 %
Average Admin Fee/Rx	\$0.00	\$0.00	-97.2 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.00	-97.2 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$51.88	\$50.86	2.0 %
Avg Retail Plan Cost/Rx	\$51.46	\$50.43	2.0 %
Avg Mail Plan Cost/Rx	\$99.22	\$98.71	0.5 %
Average Mbr Contrib/Rx	\$11.48	\$11.66	-1.8 %
Avg Retail Mbr Contrib/Rx	\$11.39	\$11.59	-1.7 %
Avg Mail Mbr Contrib/Rx	\$18.40	\$19.63	-6.3 %
Average Ing Cost/Rx	\$62.04	\$60.95	1.8 %
Avg Retail Ing Cost/Rx	\$61.54	\$60.44	1.8 %
Avg Mail Ing Cost/Rx	\$117.81	\$118.34	-0.6 %
Average AWP/Rx	\$114.51	\$110.99	3.2 %
Avg Retail AWP/Rx	\$113.54	\$109.98	3.2 %
Avg Mail AWP/Rx	\$223.35	\$225.03	-0.7 %
Average Days Supply/Rx	32.7	32.7	0.0 %
Avg Retail Days/Rx	32.4	32.3	0.1 %
Avg Mail Days/Rx	69.8	71.5	-2.3 %
Average Plan Cost/Day	\$1.59	\$1.56	2.0 %
Avg Retail Plan Cost/Day	\$1.59	\$1.56	2.0 %
Avg Mail Plan Cost/Day	\$1.42	\$1.38	2.9 %
% Plan Cost	81.9 %	81.3 %	0.7 %
% Member Contribution	18.1 %	18.7 %	-3.0 %
% Retail Plan Cost	81.9 %	81.3 %	0.7 %
% Retail Mbr Contrib	18.1 %	18.7 %	-3.0 %
% Mail Plan Cost	84.4 %	83.4 %	1.1 %
% Mail Member Contrib	15.6 %	16.6 %	-5.7 %



## Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 11/2009 - 11/2009

Previous Period: 11/2008 - 11/2008

	Current Period	Previous Period	% Change
<b>Rx Sources</b>			
% Mail Rxs	0.9 %	0.9 %	-0.0 %
% Retail Rxs	99.1 %	99.1 %	0.0 %
% Member Submit Rxs	0.0 %	0.0 %	-89.0 %
<b>Rx Types</b>			
Avg SSB Plan Cost/Rx	\$162.59	\$150.90	7.7 %
Avg Retail SSB Plan Cost/Rx	\$161.70	\$149.98	7.8 %
Avg Mail SSB Plan Cost/Rx	\$249.15	\$235.81	5.7 %
Avg MSB Plan Cost/Rx	\$80.30	\$20.18	198.9 %
Avg Retail MSB Plan Cost/Rx	\$59.59	\$19.17	210.8 %
Avg Mail MSB Plan Cost/Rx	\$121.00	\$100.31	20.6 %
Avg GEN Plan Cost/Rx	\$14.43	\$14.23	1.4 %
Avg Retail GEN Plan Cost/Rx	\$14.25	\$14.09	1.1 %
Avg Mail GEN Plan Cost/Rx	\$36.65	\$31.70	15.6 %
% Single-Source Brand Rxs	25.0 %	26.8 %	-6.7 %
% Multi-Source Brand Rxs	1.0 %	1.0 %	1.5 %
% Generic Rxs	74.0 %	72.3 %	2.4 %
% Retail Single-Source Brand	24.9 %	26.7 %	-6.6 %
% Retail Multi-Source Brand	1.0 %	1.0 %	1.6 %
% Retail Generic	74.1 %	72.3 %	2.4 %
% Mail Single-Source Brand	28.9 %	32.4 %	-10.6 %
% Mail Multi-Source Brand	1.3 %	1.4 %	-5.6 %
% Mail Generic	69.8 %	66.3 %	5.3 %
% Formulary Rxs	94.6 %	94.0 %	0.6 %
% Retail Formulary Rxs	94.6 %	94.0 %	0.6 %
% Mail Formulary Rxs	93.6 %	93.1 %	0.5 %
% DAW Rxs	0.6 %	0.6 %	-1.6 %
% Retail DAW Rxs	0.6 %	0.6 %	-0.9 %
% Mail DAW Rxs	0.6 %	1.0 %	-44.6 %
% Generic Conversion	98.7 %	98.7 %	0.0 %
% Retail GEN Conversion	98.7 %	98.7 %	0.0 %
% Mail GEN Conversion	98.2 %	98.0 %	0.2 %
<b>Period Totals</b>			
Total Plan Cost	\$11,497,552.54	\$10,213,864.02	12.6 %
Retail Plan Cost	\$11,303,482.40	\$10,038,852.20	12.6 %
Mail Plan Cost	\$194,070.14	\$175,011.82	10.9 %
Total Member Contribution	\$2,538,729.04	\$2,342,098.50	8.4 %



# Key Performance Indicators

## Comprehensive Indicators

### WVA - WV Public Employees Ins

Current Period: 11/2009 - 11/2009

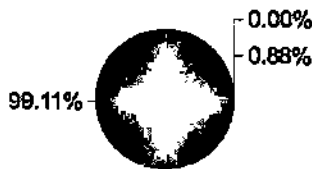
Previous Period: 11/2008 - 11/2008

	Current Period	Previous Period	
Retail Member Contrib	\$2,502,745.71	\$2,307,293.06	8.5 %
Mail Member Contrib	\$35,983.33	\$34,805.44	3.4 %
<b>Total Rx Count</b>	<b>221,613</b>	<b>200,842</b>	<b>10.3 %</b>
Retail Rx Count	219,649	199,003	10.4 %
Member Submit Rxs	8	66	-87.9 %
Mail Rx Count	1,956	1,773	10.3 %
Total Admin Fee	\$20.00	\$652.50	-96.9 %
Total UC Savings	\$10,049,084.54	\$7,534,988.58	33.4 %
Total Lost Savings	\$27,359.30	\$12,452.09	119.7 %

Demographics			
Average Age	38.8	38.8	-0.2 %
% Male Members	46.6 %	46.5 %	0.2 %
% Female Members	53.4 %	53.5 %	-0.1 %

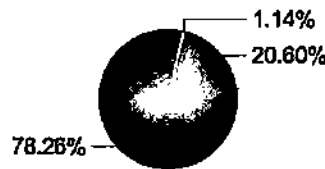
### Graphs based on Current Period: 11/2009 - 11/2009

Claim Source by Rx Count



■ Mail □ Mem... ■ Retail

Drug Type by Plan Cost



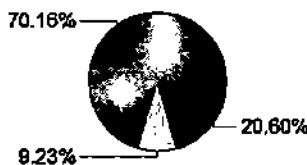
■ Gen... □ MS... ■ SS...

Formulary Status by Rx Count



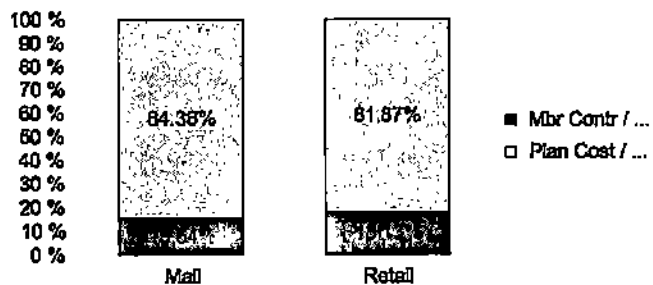
■ For... □ Non...

Drug Formulary Status by Plan Cost



■ Bra... □ Bra... ■ Gen...

Cost Share Distribution by Claim Source



■ Mbr Contr / ... □ Plan Cost / ...

# Utilization Report by Population Level

WVA - WV Public Employees Ins

Prescriptions Filled From 11/2009 - 11/2009



EXPRESS SCRIPTS®

Reporting Level 2	Avg Mbr Count	Avg Util Mbr/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
COBRA (COBRA)	400	219	760	\$52,475	\$11.72	\$69.97	2.4 %	72.8 %	93.5 %	98.4 %	\$131.19
NON STATE AGENCIES (02)	19,185	8,451	24,180	\$1,178,982	\$11.11	\$48.76	0.9 %	74.9 %	95.2 %	98.9 %	\$81.45
NON STATE AGENCIES PLAN B (02B)	3,749	1,493	3,886	\$160,833	\$13.85	\$41.39	3.8 %	78.8 %	95.9 %	99.3 %	\$42.90
NON STATE RETIREES (08)	1,287	819	3,154	\$150,079	\$10.09	\$47.68	0.9 %	74.3 %	95.6 %	99.3 %	\$116.61
NON STATE RETIREES 80 (0860)	13	9	51	\$1,101	\$2.79	\$21.69	0.0 %	92.2 %	100.0 %	100.0 %	\$84.71
STATE AGENCIES (01)	121,970	55,138	154,768	\$8,015,987	\$11.40	\$51.80	0.7 %	74.0 %	94.6 %	98.7 %	\$66.72
STATE AGENCIES (01B)	4,604	1,268	2,710	\$101,202	\$15.80	\$37.34	1.4 %	76.6 %	94.1 %	98.3 %	\$22.47
STATE RETIREES (07)	14,071	9,137	31,930	\$1,829,674	\$11.62	\$57.30	1.1 %	72.8 %	94.4 %	98.7 %	\$130.02
STATE RETIREES ASST 80 (0760)	49	38	194	\$7,339	\$3.94	\$37.83	0.0 %	82.5 %	97.9 %	100.0 %	\$149.78
<b>Grand Total</b>	<b>165,226</b>		<b>221,613</b>	<b>\$11,497,883</b>	<b>\$11.46</b>	<b>\$51.88</b>	<b>0.9 %</b>	<b>74.0 %</b>	<b>94.6 %</b>	<b>98.7 %</b>	<b>\$69.59</b>



**Monthly Management Report  
Total Claims  
November 2009**

*West Virginia Legislative Interims  
January 2010*

WEST VIRGINIA PUBLIC EMPLOYERS INSURANCE AGENCY  
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS

NOVEMBER 2009

Page: 1

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	152,002.95	207,723.56	168,007.35	160,260.92	1,004,580.52	867,970.83
	MATERNITY	116,109.36	165,843.04	88,463.73	165,689.32	764,648.80	719,726.15
	MEDICAL AND SURGICAL	4,355,929.12	6,149,860.92	3,722,339.51	6,360,640.47	28,376,299.76	29,194,592.52
	NEONATAL COMPLICATIONS	21,014.07	24,469.35	49,886.45	49,596.46	77,584.94	302,561.27
	***** sum	4,645,055.50	6,547,896.87	4,028,697.04	6,736,187.16	30,223,114.02	31,084,850.77
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	30,155.30	45,426.41	39,467.73	39,219.31	212,407.18	197,446.06
	DIALYSIS	35,119.77	130,301.68	71,253.95	133,603.38	563,392.72	525,708.58
	EMERGENCY ROOM	509,334.65	526,398.19	432,694.41	460,244.88	2,345,149.27	2,126,554.97
	MATERNITY	34,188.68	44,045.71	50,595.38	46,295.17	183,444.69	200,070.74
	MEDICAL AND SURGICAL	6,630,673.18	8,099,137.01	6,518,281.15	7,686,070.92	35,815,530.00	35,359,655.10
***** sum	7,239,471.58	8,845,309.01	7,112,292.62	8,365,433.67	39,119,923.86	38,409,435.45	
PHARMACY	PRESCRIPTION DRUGS	10,813,603.88	10,554,382.93	9,933,090.65	10,079,769.39	52,497,871.60	48,058,837.50
***** sum		10,813,603.88	10,554,382.93	9,933,090.65	10,079,769.39	52,497,871.60	48,058,837.50
PROFESSIONAL SERVICES	ADVANCED IMAGING	309,612.10	461,249.12	466,782.37	551,075.15	1,807,930.77	2,566,683.16
	AMBULANCE	184,400.01	199,541.05	128,064.45	190,764.51	1,031,732.95	912,650.01
	ANESTHESIA	561,841.95	685,586.50	625,586.49	672,225.06	3,267,087.02	3,314,602.80
	BEHAVIORAL	325,619.28	322,085.76	284,631.75	320,550.14	1,472,964.01	1,395,553.56
	CARDIOVASCULAR MEDICINE	241,073.72	342,952.21	285,942.51	377,184.51	1,423,350.79	1,721,321.76
	CERVICAL CANCER SCREENING	15,052.35	17,752.26	16,345.55	20,352.19	97,370.54	98,492.08
	DIALYSIS	12,681.09	10,744.64	1,754.36	4,828.11	65,764.60	22,387.24
	DME	285,083.52	418,655.47	326,323.62	403,904.20	1,780,867.30	1,838,242.97

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
NOTE: CLAIMS LISTED ARE ON A PAID BASIS  
NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYERS INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS  
 NOVEMBER 2009

Page: 2

Reporting Category	Type of Service	Current	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	4,635,714.97	4,734,099.74	3,800,877.20	4,444,644.81	23,691,301.67	21,243,589.55
	IMMUNIZATION	404,375.45	323,562.76	400,910.33	290,690.13	1,746,518.71	1,517,625.09
	INJECTION	502,102.08	715,707.91	774,441.36	727,958.00	2,945,996.11	3,680,844.23
	LAB AND PATHOLOGY	536,483.47	722,866.16	553,755.02	663,274.13	3,158,221.43	2,910,443.19
	MAMMOGRAPHY	137,902.68	143,087.97	144,235.90	138,154.78	781,440.17	772,874.29
	OTHER	285,296.90	373,878.85	305,878.20	380,360.53	1,760,225.34	1,829,393.62
	OTHER IMAGING	630,399.45	758,990.10	514,426.83	772,382.30	3,427,198.30	3,276,880.83
	OTHER MEDICINE	394,631.06	698,951.85	855,777.48	667,654.01	2,727,161.83	3,334,155.68
	PHYSICAL MEDICINE	649,479.11	619,960.90	526,010.92	580,827.51	2,786,586.35	2,650,319.92
	PROSTATE CANCER SCREENING	7,630.85	14,541.74	13,912.91	15,471.25	51,941.87	72,995.55
	SURGICAL	1,864,939.11	2,447,883.40	1,917,759.31	2,488,423.37	11,337,805.74	11,463,752.83
.....							
sum		11,984,319.15	14,012,098.37	11,943,116.56	13,680,724.68	65,361,465.50	64,622,808.36
sum		34,682,450.11	39,959,687.18	33,017,196.87	38,862,114.89	187,202,374.98	182,175,932.08

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS  
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES





**Monthly Management Report  
Per Capita Claims  
November 2009**

*West Virginia Legislative Interims  
January 2010*

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS  
 NOVEMBER 2009

Page: 1

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.9353	1.3760	1.0868	1.0993	6.2353	5.6550
	MATERNITY	.7144	1.0992	.5723	1.1373	4.7461	4.6892
	MEDICAL AND SURGICAL	26.8018	40.7676	24.0797	43.6368	176.1283	190.2083
	NEONATAL COMPLICATIONS	.1293	.1628	.3227	.3399	.4816	1.9712
	SUM	28.5807	43.4056	26.0618	46.2133	187.5913	202.5237
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.1853	.3011	.2553	.2690	1.3184	1.2864
	DIALYSIS	.2161	.8633	.4609	.9174	3.4969	3.4251
	EMERGENCY ROOM	3.1339	3.4914	2.7991	3.1583	14.5561	13.8549
	MATERNITY	.2104	.2924	.3273	.3180	1.1386	1.3038
	MEDICAL AND SURGICAL	40.7981	53.7133	42.1666	52.7496	222.3028	230.3748
SUM	44.5440	58.6615	46.0092	57.4122	242.8127	250.2447	
PHARMACY	PRESCRIPTION DRUGS	66.5354	69.9922	64.2569	69.1781	325.8481	313.1124
SUM		66.5354	69.9922	64.2569	69.1781	325.8481	313.1124
PROFESSIONAL SERVICES	ADVANCED IMAGING	1.9050	3.0625	3.0196	3.7812	11.2216	16.7224
	AMBULANCE	1.1346	1.3214	.8284	1.3085	6.4038	5.9461
	ANESTHESIA	3.4570	4.5462	4.0469	4.6128	20.2784	21.5953
	BEHAVIORAL	2.0035	2.1366	1.8413	2.2003	9.1425	9.0923
	CARDIOVASCULAR MEDICINE	1.4833	2.2735	1.8498	2.5881	8.8346	11.2147
	CERVICAL CANCER SCREENING	.0926	.1176	.1057	.1397	.6044	.6417
	DIALYSIS	.0780	.0710	.0113	.0331	.4082	.1459
	DME	1.7541	2.7773	2.1110	2.7725	11.0536	11.9765

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS  
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS  
 NOVEMBER 2009

Page: 2

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	28.5233	31.3845	24.5858	30.4959	147.0491	138.4060
	IMMUNIZATION	2.4881	2.1459	2.5935	1.9965	10.8404	9.8876
	INJECTION	3.0894	4.7506	5.0098	4.9935	18.2854	23.9814
	LAB AND PATHOLOGY	3.3009	4.7938	3.5822	4.5524	19.6027	18.9621
	MAMMOGRAPHY	.8485	.9484	.9331	.9474	4.8503	5.0354
	OTHER	1.7554	2.4791	1.9787	2.4033	10.9255	11.9188
	OTHER IMAGING	3.8788	5.0320	3.3278	5.3021	21.2722	21.3495
	OTHER MEDICINE	2.4281	4.6419	5.5360	4.5825	16.9272	21.7227
	PHYSICAL MEDICINE	3.9962	4.1131	3.4028	3.9862	17.2960	17.2673
	PROSTATE CANCER SCREENING	.0470	.0966	.0900	.1062	.3224	.4756
	SURGICAL	11.4749	16.2311	12.4059	17.0770	70.3724	74.6885
.....							
sum		73.7388	92.9251	77.2597	93.8791	405.6909	421.0298
sum		213.3989	264.9845	213.5874	266.6827	1,161.9430	1,186.9105

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS  
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES



**Monthly Management Report  
Per Capita Utilization  
November 2009**

*West Virginia Legislative Interims  
January 2010*

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION  
 NOVEMBER 2009

Page: 1

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0006	.0007	.0034	.0026
	MATERNITY	.0004	.0002	.0037	.0035
	MEDICAL AND SURGICAL	.0050	.0047	.0363	.0365
	NEONATAL COMPLICATIONS	.0000	.0001	.0003	.0015
*****					
sum		.0060	.0058	.0437	.0441
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0025	.0032	.0160	.0139
	DIALYSIS	.0027	.0026	.0184	.0130
	EMERGENCY ROOM	.0236	.0215	.1097	.1137
	MATERNITY	.0018	.0020	.0094	.0103
	MEDICAL AND SURGICAL	.1881	.1831	.9503	.9892
*****					
sum		.2187	.2125	1.1037	1.1401
PHARMACY	PRESCRIPTION DRUGS	.9072	.8719	4.7077	4.5195
*****					
sum		.9072	.8719	4.7077	4.5195
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0184	.0201	.1028	.1149
	AMBULANCE	.0028	.0028	.0171	.0176
	ANESTHESIA	.0159	.0205	.0947	.0967
	BEHAVIORAL	.0361	.0334	.1916	.1900
	CARDIOVASCULAR MEDICINE	.0297	.0281	.1567	.1681
	CERVICAL CANCER SCREENING	.0035	.0044	.0239	.0263
	DIALYSIS	.0007	.0001	.0030	.0012
	DME	.0185	.0206	.1067	.1144
	EVALUATION AND MANAGEMENT	.4578	.4210	2.3620	2.3352
	IMMUNIZATION	.0758	.0841	.2276	.1957

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION  
 NOVEMBER 2009

Page: 2

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
PROFESSIONAL SERVICES	INJECTION	.0222	.0235	.1272	.1290
	LAB AND PATHOLOGY	.1520	.1395	.8129	.7786
	MAMMOGRAPHY	.0147	.0163	.0896	.0929
	OTHER	.0326	.0398	.1495	.1547
	OTHER IMAGING	.0826	.0800	.4549	.4582
	OTHER MEDICINE	.0617	.0656	.3548	.3752
	PHYSICAL MEDICINE	.1021	.0905	.4916	.5167
	PROSTATE CANCER SCREENING	.0035	.0056	.0238	.0321
	SURGICAL	.0632	.0688	.3768	.3990
*****					
SUM		1.1939	1.1648	6.1671	6.1964
SUM		2.3259	2.2550	12.0222	11.9002

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

**West Virginia Board of Risk and Insurance Management  
UNAUDITED BALANCE SHEET**

**DRAFT**

	November 30	
	2009	2008
	(in thousands)	
<b>ASSETS</b>		
Short Term Assets		
Cash and Equivalents	\$ 27,963	\$ 23,276
Advance Deposit with Carrier/Trustee	179,441	176,528
Receivables - Net	1,649	1,535
Prepaid Insurance	3,175	3,106
<b>Total Short Term Assets</b>	<b>212,228</b>	<b>204,445</b>
Long Term Assets		
Investments	117,083	91,275
<b>Total Long Term Assets</b>	<b>117,083</b>	<b>91,275</b>
<b>TOTAL ASSETS</b>	<b>329,311</b>	<b>295,720</b>
<b>LIABILITIES</b>		
Short Term Liabilities		
Accounts payable	1,479	1,740
Claims Payable	680	812
OPEB Liability	87	35
Agents Commissions Payable	529	676
Unearned Revenue	11,447	11,937
Current Estimated Claim Reserve	49,402	48,747
<b>Total Short Term Liabilities</b>	<b>63,624</b>	<b>63,947</b>
Long Term Liabilities		
Compensated Absences	58	52
Estimated Noncurrent Claim Reserve	104,725	115,181
<b>Total Long Term Liabilities</b>	<b>104,783</b>	<b>115,233</b>
<b>TOTAL LIABILITIES</b>	<b>168,407</b>	<b>179,180</b>
Prior Year Net Assets	150,958	127,630
Current Year Earnings/Prior Year Earnings (Loss)	9,946	(11,090)
<b>TOTAL NET ASSETS</b>	<b>160,904</b>	<b>116,540</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 329,311</b>	<b>\$ 295,720</b>

DRAFT - Unaudited - Management Purposes Only

**West Virginia Board of Risk and Insurance Management**  
**UNAUDITED INCOME STATEMENT**  
**For the five months ending**



	November 30	
	2009	2008
	(In thousands)	
<b>Operating Revenues</b>		
Premium Revenues	\$ 24,565	\$ 26,582
Less - Excess Insurance	(2,606)	(2,557)
<b>Total Operating Revenues</b>	<b>21,959</b>	<b>24,025</b>
<b>Operating Expenses</b>		
Claims Expense	23,100	19,570
Property & MS Claims Expense	4,472	3,021
Personal Services	538	549
General & Administrative Expense	1,135	1,414
<b>Total Operating Expenses</b>	<b>29,245</b>	<b>24,564</b>
<b>Operating Income (Loss)</b>	<b>(7,286)</b>	<b>(629)</b>
<b>Nonoperating Revenues</b>		
Court Fees	18	14
Investment Income	17,216	(10,576)
<b>Total Nonoperating Revenues</b>	<b>17,232</b>	<b>(10,561)</b>
<b>Net Income (Loss)</b>	<b>9,946</b>	<b>(11,090)</b>

DRAFT - Unaudited - Management Purposes Only



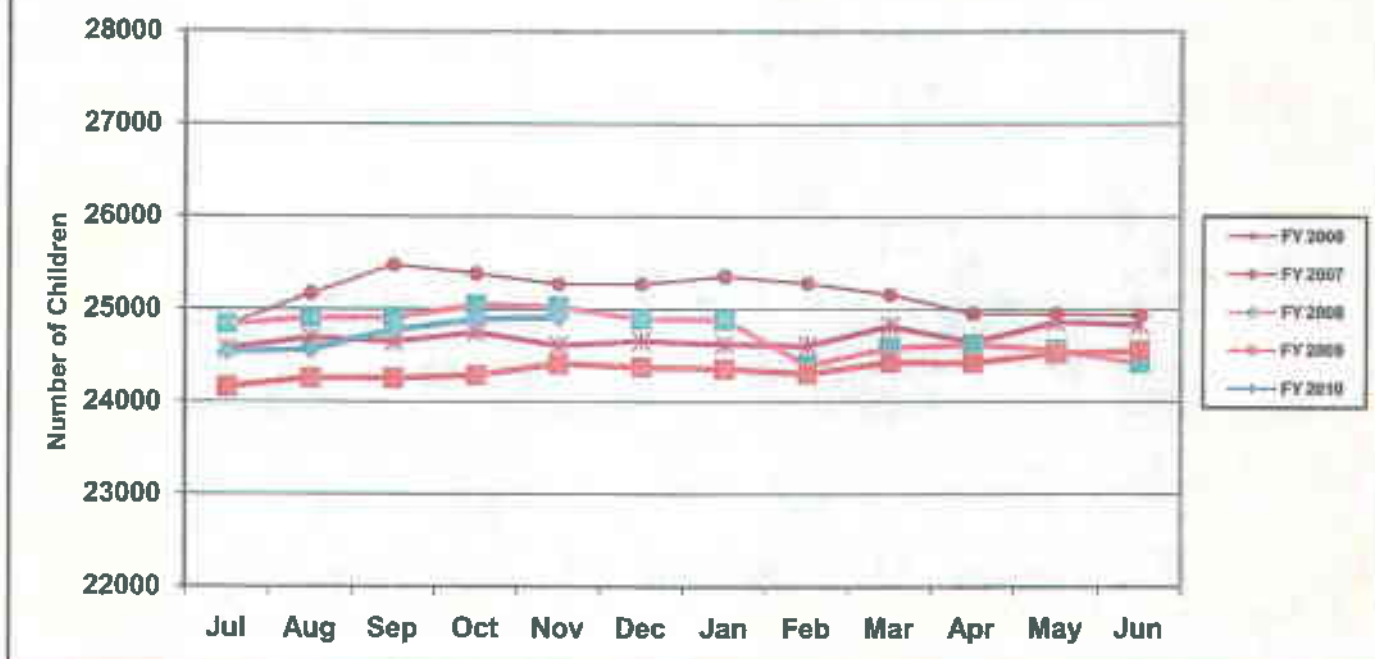


**West Virginia  
Children's Health Insurance Program  
1018 Kanawha Boulevard East  
Suite 209  
Charleston, WV 25301  
Phone: 304-558-2732  
Toll-Free: 1-877-WVA CHIP  
Fax: 304-558-2741  
[www.wvchip.org](http://www.wvchip.org)**

**Joint Committee on  
Government and Finance  
Report**

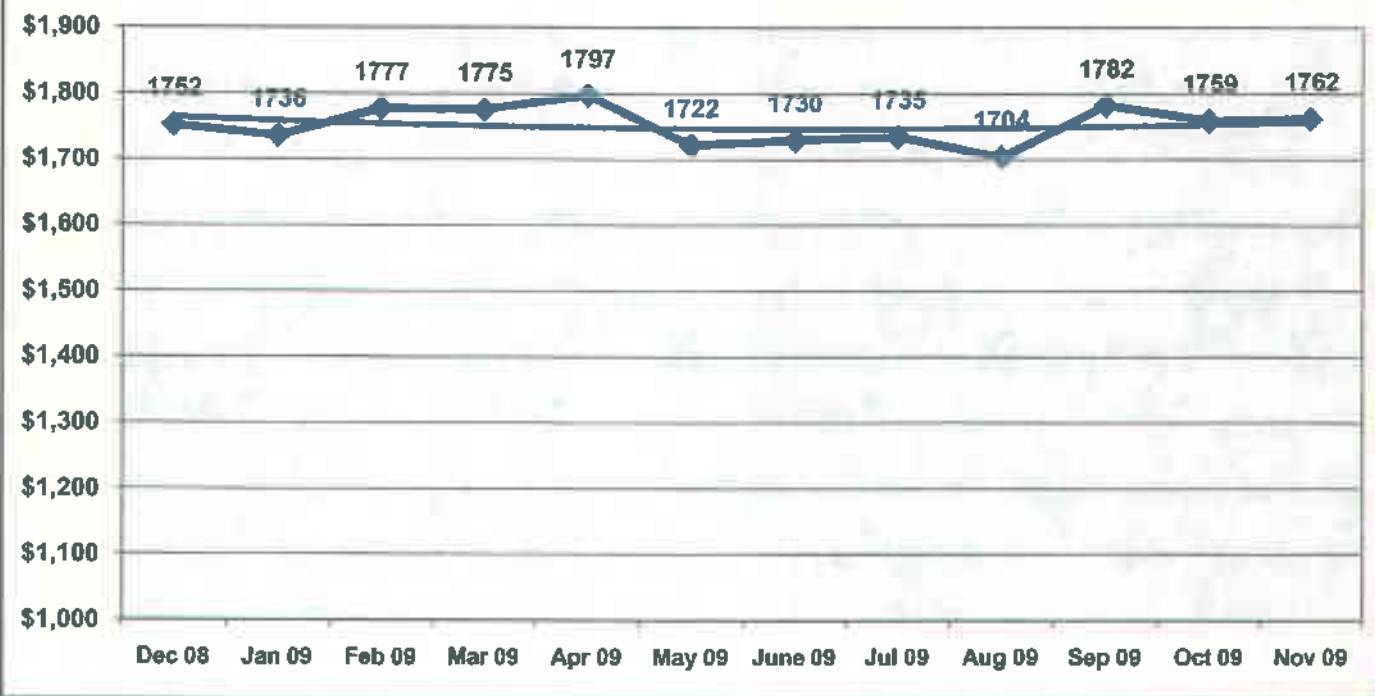
**January 2010**

## WV CHIP Enrollment



December 31, 2009 Enrollment 25,053

## Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program  
Comparative Balance Sheet  
November 2009 and 2008  
(Accrual Basis)**

	November 30, 2009	November 30, 2008	Variance	
<b>Assets:</b>				
Cash & Cash Equivalents	\$11,274,286	\$9,778,848	\$1,495,438	15%
Due From Federal Government	\$3,272,300	\$2,858,609	\$415,691	15%
Due From Other Funds	\$726,600	\$643,708	\$82,892	13%
Accrued Interest Receivable	\$32,791	\$10,567	\$22,224	210%
Fixed Assets, at Historical Cost	<u>\$69,738</u>	<u>\$70,829</u>	<u>(\$1,091)</u>	<u>-2%</u>
<b>Total Assets</b>	<b><u>\$15,375,714</u></b>	<b><u>\$13,360,561</u></b>	<b><u>\$2,015,153</u></b>	<b><u>15%</u></b>
<b>Liabilities:</b>				
Due to Other Funds	\$358,900	\$310,317	\$48,583	16%
Deferred Revenue	\$2,007,084	\$3,528,558	(\$1,521,474)	-43%
Unpaid Insurance Claims Liability	<u>\$3,640,000</u>	<u>\$3,190,000</u>	<u>\$450,000</u>	<u>14%</u>
<b>Total Liabilities</b>	<b><u>\$6,005,984</u></b>	<b><u>\$7,028,875</u></b>	<b><u>(\$1,022,891)</u></b>	<b><u>-15%</u></b>
<b>Fund Equity</b>	<b><u>\$9,369,730</u></b>	<b><u>\$6,331,686</u></b>	<b><u>\$3,038,044</u></b>	<b><u>48%</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$15,375,714</u></b>	<b><u>\$13,360,561</u></b>	<b><u>\$2,015,153</u></b>	<b><u>15%</u></b>

**PRELIMINARY FINANCIAL STATEMENTS**

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program**  
**Comparative Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Five Months Ending November 30, 2009 and November 30, 2008**  
**(Modified Accrual Basis)**

	November 30, 2009	November 30, 2008	Variance	
<b>Revenues:</b>				
Federal Grants	15,803,011	14,928,676	874,335	6%
State Appropriations	4,608,538	4,608,109	429	0%
Premium Revenues	125,935	44,657	81,278	182%
Investment Earnings	<u>37,954</u>	<u>78,305</u>	<u>(40,351)</u>	<u>-52%</u>
<b>Total Operating Revenues</b>	<b><u>20,575,438</u></b>	<b><u>19,659,747</u></b>	<b><u>915,691</u></b>	<b><u>5%</u></b>
<b>Operating Expenditures:</b>				
<b>Claims:</b>				
Outpatient Services	5,077,554	4,518,452	559,102	12%
Physicians & Surgical	4,193,877	3,947,919	245,958	6%
Prescribed Drugs	3,561,034	3,297,747	263,287	8%
Dental	2,013,081	2,101,305	(88,224)	-4%
Inpatient Hospital Services	1,109,665	1,529,176	(419,511)	-27%
Durable & Disposable Med. Equip.	546,739	529,672	17,067	3%
Outpatient Mental Health	446,459	499,146	(52,687)	-11%
Vision	315,282	286,674	28,608	10%
Inpatient Mental Health	306,353	262,026	44,327	17%
Therapy	190,754	161,556	29,198	18%
Medical Transportation	113,402	133,216	(19,814)	-15%
Other Services	(6,046)	35,702	(41,748)	-117%
Less: Collections*	<u>(262,931)</u>	<u>(351,138)</u>	<u>88,207</u>	<u>-25%</u>
<b>Total Claims</b>	<b><u>17,605,223</u></b>	<b><u>16,951,453</u></b>	<b><u>653,770</u></b>	<b><u>4%</u></b>
<b>General and Admin Expenses:</b>				
Salaries and Benefits	210,992	206,747	4,245	2%
Program Administration	1,273,322	897,826	375,496	42%
Eligibility	161,072	140,712	20,360	14%
Outreach & Health Promotion	157,044	48,637	108,407	223%
Current	<u>52,083</u>	<u>60,052</u>	<u>(7,969)</u>	<u>-13%</u>
<b>Total Administrative</b>	<b><u>1,854,513</u></b>	<b><u>1,353,974</u></b>	<b><u>500,539</u></b>	<b><u>37%</u></b>
<b>Total Expenditures</b>	<b><u>19,459,736</u></b>	<b><u>18,305,427</u></b>	<b><u>1,154,309</u></b>	<b><u>6%</u></b>
<b>Excess of Revenues</b>				
Over (Under) Expenditures	1,115,702	1,354,320	(238,618)	-18%
<b>Fund Equity, Beginning</b>	<b><u>8,254,028</u></b>	<b><u>4,977,366</u></b>	<b><u>3,276,662</u></b>	<b><u>66%</u></b>
<b>Fund Equity, Ending</b>	<b><u>9,369,730</u></b>	<b><u>6,331,686</u></b>	<b><u>3,038,044</u></b>	<b><u>48%</u></b>

\* Collections are primarily drug rebates and subrogation

**PRELIMINARY FINANCIAL STATEMENTS**

**West Virginia Children's Health Insurance Program  
Budget to Actual Statement  
State Fiscal Year 2010  
For the Five Months Ended November 30, 2009**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Nov-09</u>	<u>Oct-09</u>	<u>Sep-09</u>
Projected Cost	\$48,693,584	\$20,288,993	\$18,064,907	\$2,224,087	11%	\$4,057,799	\$3,789,753	\$3,466,708	\$4,488,500
Premiums	305,826	127,428	125,935	\$1,493	-1%	25,486	26,601	28,320	25,836
Subrogation & Rebates	<u>823,650</u>	<u>259,854</u>	<u>262,930</u>	<u>(3,076)</u>	<u>1%</u>	<u>51,971</u>	<u>36,541</u>	<u>51,878</u>	<u>78,436</u>
Net Benefit Cost	47,764,108	\$19,901,712	\$17,676,041	\$2,225,670	11%	3,980,342	3,726,611	3,386,511	4,384,228
Salaries & Benefits	\$581,411	\$242,255	\$210,992	\$31,263	13%	\$48,451	\$40,561	\$40,432	\$41,340
Program Administration	2,865,833	1,110,764	1,149,986	(39,222)	-4%	222,153	237,075	250,395	239,577
Eligibility	295,243	123,018	141,115	(18,097)	-15%	24,604	13,781	16,594	83,567
Outreach	300,000	125,000	161,221	(36,221)	-29%	25,000	3,602	94,053	16,383
Current Expense	<u>352,772</u>	<u>146,988</u>	<u>88,935</u>	<u>58,053</u>	<u>38%</u>	<u>29,398</u>	<u>9,775</u>	<u>10,714</u>	<u>9,203</u>
Total Admin Cost	\$4,195,259	\$1,748,025	\$1,752,249	(\$4,224)	0%	\$349,605	\$304,794	\$412,188	\$390,070
Total Program Cost	<u>\$51,959,367</u>	<u>\$21,649,736</u>	<u>\$19,428,290</u>	<u>\$2,221,446</u>	<u>10%</u>	<u>\$4,329,947</u>	<u>\$4,031,405</u>	<u>\$3,798,699</u>	<u>\$4,774,298</u>
Federal Share 81.83%	42,489,772	\$17,704,072	\$15,872,654	1,831,418	10%	3,540,814	3,298,898	3,108,475	3,896,305
State Share 18.17%	<u>9,469,595</u>	<u>\$3,945,664</u>	<u>\$3,555,636</u>	<u>390,028</u>	<u>10%</u>	<u>789,133</u>	<u>732,506</u>	<u>690,224</u>	<u>877,993</u>
Total Program Cost **	<u>\$51,959,367</u>	<u>\$21,649,736</u>	<u>\$19,428,290</u>	<u>\$2,221,446</u>	<u>10%</u>	<u>\$4,329,947</u>	<u>\$4,031,405</u>	<u>\$3,798,699</u>	<u>\$4,774,298</u>

\* Positive percentages indicate favorable variances

\*\* Budgeted Year Based on CCRC Actuary 6/30/2009 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

1/. Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenario dated 6/30/09 Final worksheet  
Net Paid Program Costs

2/. Federal Share for FFY 2009 is 81.61%. Federal Share for FFY 2010 (10/1/09 - 9/30/10) is set at 81.83%.

# WVCHIP Enrollment Report

ATTACHMENT 1

December 2009

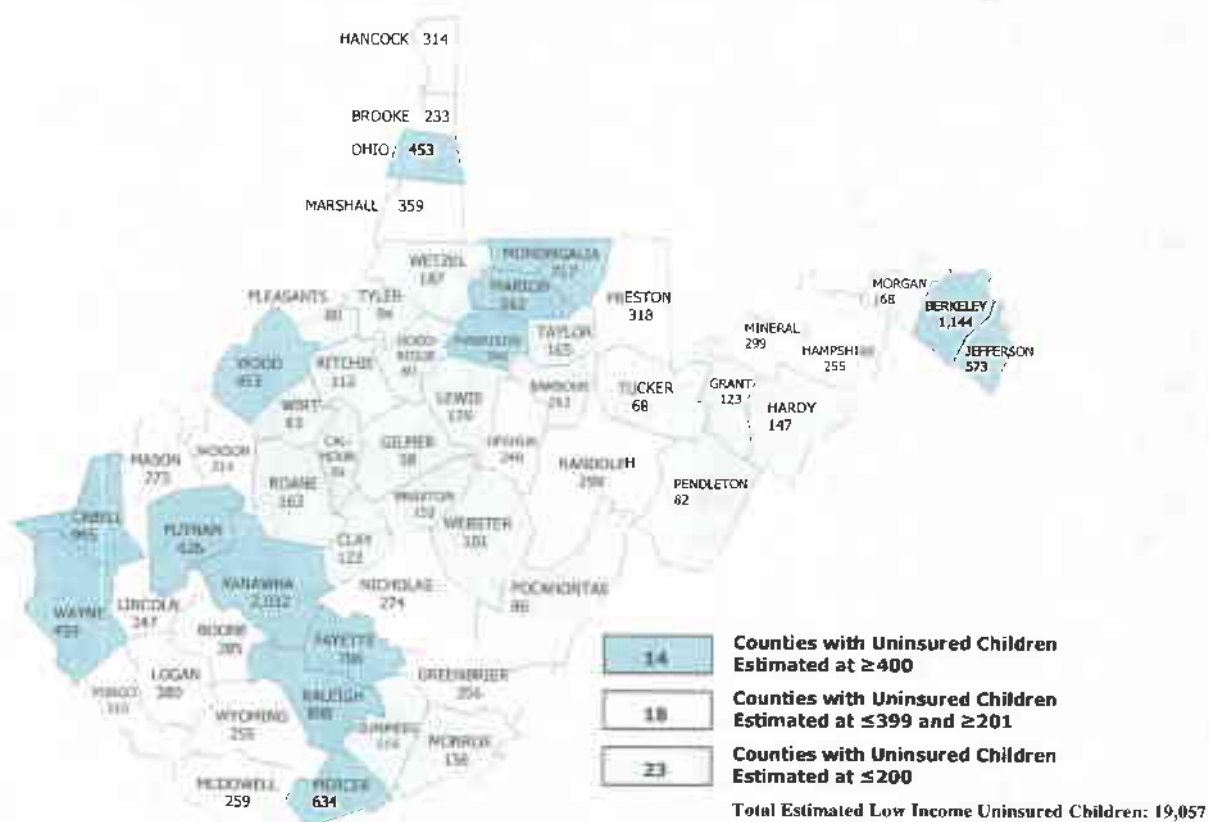
County	County Pop 2005 Est (0-18 Yrs)	Total CHIP Enrollment Dec-09	Total Medicaid Enrollment Dec-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est Uninsured 5%	2009 # Children Uninsured Ranking*
Kanawha	40,647	2,286	17,118	19,404	47.7%	2,032	1
Berkeley	22,882	1,312	7,318	8,630	37.7%	1,144	2
Wood	19,063	1,114	8,315	9,429	49.5%	953	3
Cabell	18,900	1,053	8,355	9,408	49.8%	945	4
Raleigh	15,992	1,332	7,280	8,612	53.9%	800	5
Harrison	14,973	962	5,931	6,893	46.0%	749	6
Monongalia	14,346	737	4,261	4,998	34.8%	717	7
Mercer	12,687	1,112	6,724	7,836	61.8%	634	8
Putnam	12,522	739	3,289	4,028	32.2%	626	9
Jefferson	11,465	435	2,593	3,028	26.4%	573	10
Marion	11,245	734	4,395	5,129	45.6%	562	11
Fayette	9,692	887	4,781	5,668	58.5%	485	12
Wayne	9,176	571	4,165	4,736	51.6%	459	13
Ohio	9,068	537	3,025	3,562	39.3%	453	14
Logan	7,610	593	4,057	4,650	61.1%	380	15
Marshall	7,176	351	2,826	3,177	44.3%	359	16
Greenbrier	7,110	592	3,022	3,614	50.8%	356	17
Preston	6,354	477	2,428	2,905	45.7%	318	18
Jackson	6,277	395	2,652	3,047	48.5%	314	19
Hancock	6,270	354	2,407	2,761	44.0%	314	20
Mingo	6,204	412	3,256	3,668	59.1%	310	21
Mineral	5,973	297	2,061	2,358	39.5%	299	22
Randolph	5,971	400	2,686	3,086	51.7%	299	23
Boone	5,706	324	2,705	3,029	53.1%	285	24
Nicholas	5,478	435	2,658	3,093	56.5%	274	25
Mason	5,461	293	2,644	2,937	53.8%	273	26
McDowell	5,170	355	3,372	3,727	72.1%	259	27
Hampshire	5,110	282	2,144	2,426	47.5%	255	28
Wyoming	5,092	425	2,728	3,153	61.9%	255	29
Upshur	4,956	428	2,330	2,758	55.7%	248	30
Lincoln	4,945	397	2,749	3,146	63.6%	247	31
Brooke	4,658	314	1,547	1,861	40.0%	233	32
Wetzel	3,732	169	1,731	1,900	50.9%	187	33
Lewis	3,577	319	1,793	2,112	59.0%	179	34
Morgan	3,365	252	1,237	1,489	44.3%	168	35
Taylor	3,307	224	1,424	1,648	49.8%	165	36
Roane	3,266	278	1,736	2,014	61.7%	163	37
Barbour	3,248	260	1,628	1,888	58.1%	162	38
Braxton	3,044	238	1,538	1,776	58.3%	152	39
Hardy	2,950	172	1,226	1,398	47.4%	147	40
Monroe	2,728	216	1,093	1,309	48.0%	136	41
Grant	2,463	174	972	1,146	46.5%	123	42
Clay	2,454	185	1,479	1,664	67.8%	123	43
Summers	2,322	222	1,185	1,407	60.6%	116	44
Ritchie	2,234	138	1,002	1,140	51.0%	112	45
Webster	2,020	160	1,253	1,413	70.0%	101	46
Tyler	1,887	144	803	947	50.2%	94	47
Pocahontas	1,717	150	691	841	49.0%	86	48

# WVCHIP Enrollment Report

ATTACHMENT 1

December 2009

County	County Pop 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Dec-09	Total Medicaid Enrollment Dec-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Pendleton	1,632	102	504	606	37.1%	82	49
Doddridge	1,607	140	726	866	53.9%	80	50
Pleasants	1,593	101	555	656	41.2%	80	51
Calhoun	1,389	132	873	1,005	72.4%	69	52
Tucker	1,354	146	511	657	48.5%	68	53
Wirt	1,268	103	566	669	52.8%	63	54
Gilmer	1,154	93	602	695	60.2%	58	55
<b>Totals</b>	<b>382,490</b>	<b>25,053</b>	<b>160,950</b>	<b>186,003</b>	<b>48.6%</b>	<b>19,125</b>	



**Note 1:** The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

**Note 2:** It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

Legislative Oversight Commission on  
Health and Human Resources Accountability

*JANUARY 2010*

Department of Administration

State Children's Health Insurance Program  
UPDATE





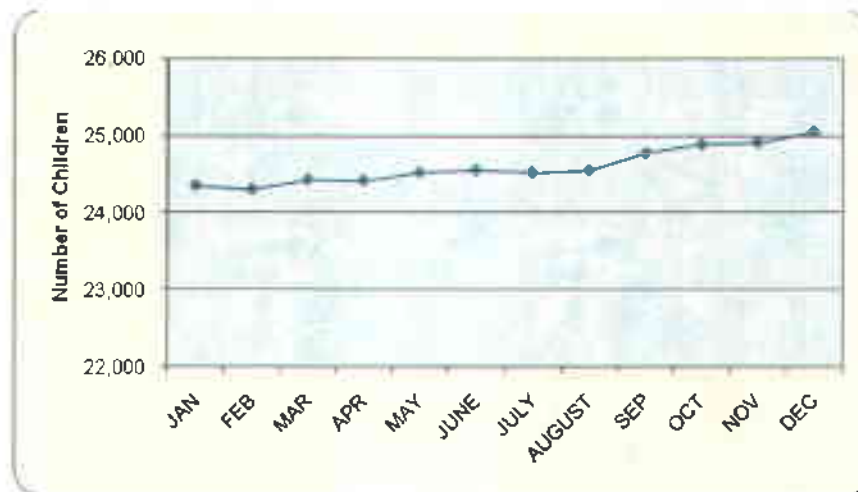
# WV CHILDREN'S HEALTH INSURANCE AGENCY

## REPORT FOR JANUARY 2010

### I. Enrollment on December 2009: 25,053

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: January 2009 through December 2009



### Enrollee Totals: October 2009 to December 2009

Month	Total	1 Year	Total
October	1,837	Average	1,794
November	1,509	High	2,276
December	1,311	Low	1,311

### New Enrollee (Never Before on CHIP) Totals: October 2009 to December 2009

Month	Total	1 Year	Total
October	725	Average	701
November	573	High	904
December	498	Low	498

### II. Re-enrollment for 3 Month Period: September 2009 to November 2009

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
September	1,898	1,185	62%	158	8%	510	27%
October	1,759	1,076	61%	155	9%	487	28%
November	1,435	883	62%	129	9%	398	28%

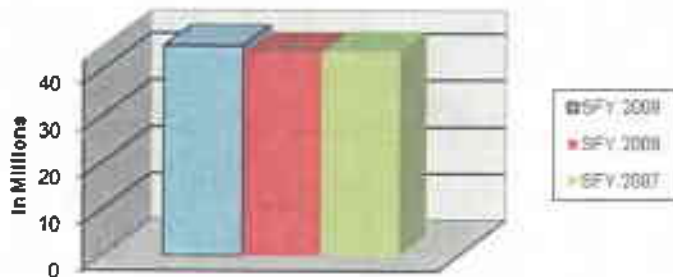
**III. Financial Activity**

*Please see this month's financial statement at Attachment 2.*

*The average annualized claims cost per child for the month ended November 2009 was \$1,909.*

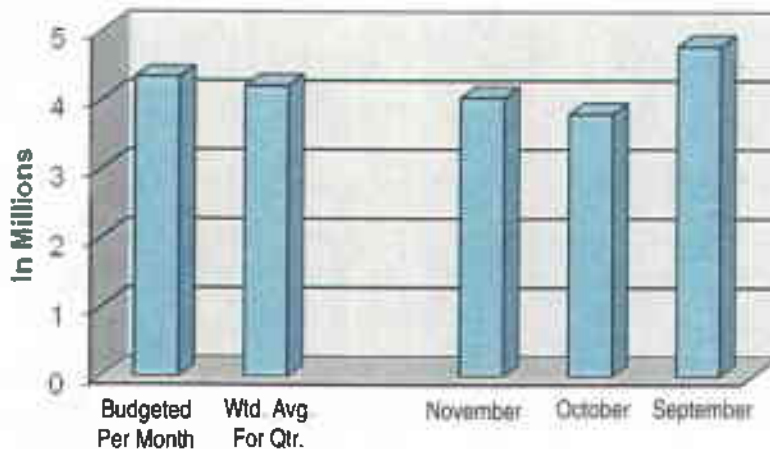
**Annual Expenditures for a 3 Year Period: SFY 2007 – SFY 2009**

	<b>SFY 2009</b>	<b>FFP% 2009</b>	<b>SFY 2008</b>	<b>FFP% 2008</b>	<b>SFY 2007</b>	<b>FFP% 2007</b>
Federal	37,550,029	81.61	35,626,232	81.98	35,472,537	80.97
State	8,417,193	18.39	7,947,861	18.02	8,336,944	19.03
<b>Total Costs</b>	<b>45,967,222</b>	<b>100.00</b>	<b>43,574,093</b>	<b>100.00</b>	<b>43,809,481</b>	<b>100.00</b>



**Monthly Budgeted and Current 3 Month Period: September 2009 – November 2009**

	<b>Budgeted Per Month</b>	<b>Wtd. Avg. For Qtr.</b>	<b>Actual</b>		
			<b>November 2009</b>	<b>October 2009</b>	<b>September 2009</b>
Federal	3,540,814	3,434,559	3,298,898	3,108,475	3,896,305
State	789,133	766,908	732,506	690,224	877,993
<b>Total</b>	<b>4,329,947</b>	<b>4,201,467</b>	<b>4,031,405</b>	<b>3,798,699</b>	<b>4,774,298</b>



**IV. Other Highlights**

- ◆ December enrollment reached 25,053. This is the first time CHIP enrollment has been over 25,000 since March 2007. Most of this growth has occurred in the 200% to 250% FPL group. This is likely due to decreased employer coverage and the declining economy.
- ◆ Effective February 1, 2010, WVCHIP will reduce the waiting period for the length of time an applicant must have been without group health coverage from 6 months to 3 months. This change applies to non-premium applicants only.

# WVCHIP Enrollment Report

ATTACHMENT 1

December 2009

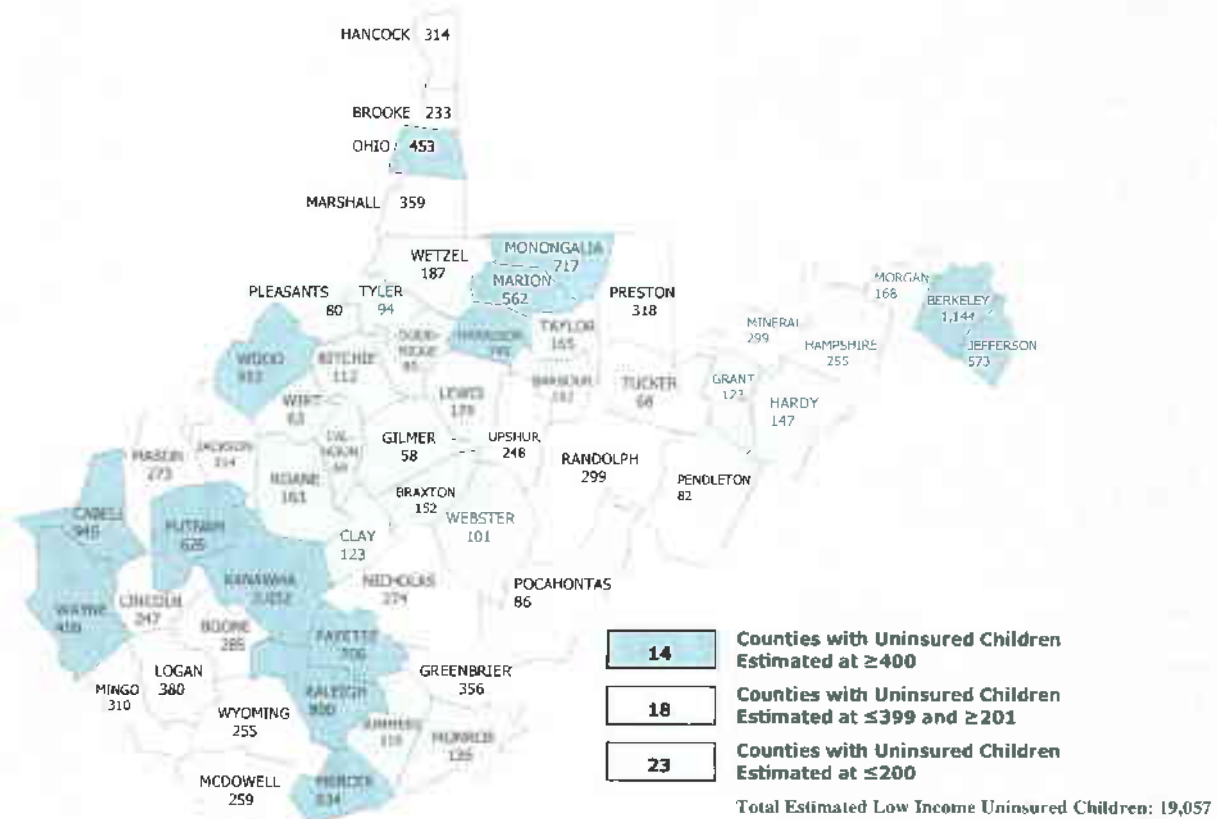
County	County Pop 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Dec-09	Total Medicaid Enrollment Dec-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Kanawha	40,647	2,286	17,118	19,404	47.7%	2,032	1
Berkeley	22,882	1,312	7,318	8,630	37.7%	1,144	2
Wood	19,063	1,114	8,315	9,429	49.5%	953	3
Cabell	18,900	1,053	8,355	9,408	49.8%	945	4
Raleigh	15,992	1,332	7,280	8,612	53.9%	800	5
Harrison	14,973	962	5,931	6,893	46.0%	749	6
Monongalia	14,346	737	4,261	4,998	34.8%	717	7
Mercer	12,887	1,112	6,724	7,836	61.8%	634	8
Pulnam	12,522	739	3,289	4,028	32.2%	626	9
Jefferson	11,465	435	2,583	3,028	26.4%	573	10
Marion	11,245	734	4,395	5,129	45.6%	562	11
Fayette	9,692	887	4,781	5,668	58.5%	485	12
Wayne	9,176	571	4,165	4,736	51.6%	459	13
Ohio	9,068	537	3,025	3,562	39.3%	453	14
Logan	7,610	593	4,057	4,650	61.1%	380	15
Marshall	7,176	351	2,826	3,177	44.3%	359	16
Greenbrier	7,110	592	3,022	3,614	50.8%	356	17
Preston	6,354	477	2,428	2,905	45.7%	318	18
Jackson	6,277	395	2,652	3,047	48.5%	314	19
Hancock	6,270	354	2,407	2,761	44.0%	314	20
Mingo	6,204	412	3,256	3,668	59.1%	310	21
Mineral	5,973	297	2,061	2,358	39.5%	299	22
Randolph	5,971	400	2,686	3,086	51.7%	299	23
Boone	5,706	324	2,705	3,029	53.1%	285	24
Nicholas	5,478	435	2,658	3,093	56.5%	274	25
Mason	5,461	293	2,644	2,937	53.8%	273	26
McDowell	5,170	355	3,372	3,727	72.1%	259	27
Hampshire	5,110	282	2,144	2,426	47.5%	255	28
Wyoming	5,092	425	2,728	3,153	61.9%	255	29
Upshur	4,956	428	2,330	2,758	55.7%	248	30
Lincoln	4,945	397	2,749	3,146	63.6%	247	31
Brooke	4,658	314	1,547	1,861	40.0%	233	32
Wetzel	3,732	169	1,731	1,900	50.9%	187	33
Lewis	3,577	319	1,793	2,112	59.0%	179	34
Morgan	3,365	252	1,237	1,489	44.3%	168	35
Taylor	3,307	224	1,424	1,648	49.8%	165	36
Roane	3,266	278	1,736	2,014	61.7%	163	37
Barbour	3,248	260	1,628	1,888	58.1%	162	38
Braxton	3,044	238	1,538	1,776	58.3%	152	39
Hardy	2,950	172	1,226	1,398	47.4%	147	40
Monroe	2,728	216	1,093	1,309	48.0%	136	41
Grant	2,463	174	972	1,146	46.5%	123	42
Clay	2,454	185	1,479	1,664	67.8%	123	43
Summers	2,322	222	1,185	1,407	60.6%	116	44
Ritchie	2,234	138	1,002	1,140	51.0%	112	45
Webster	2,020	160	1,253	1,413	70.0%	101	46
Tyler	1,887	144	803	947	50.2%	94	47
Pocahontas	1,717	150	691	841	49.0%	86	48

# WVCHIP Enrollment Report

ATTACHMENT 1

December 2009

County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Dec-09	Total Medicaid Enrollment Dec-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Pendleton	1,632	102	504	606	37.1%	82	49
Doddridge	1,607	140	726	866	53.9%	80	50
Pleasants	1,593	101	555	656	41.2%	80	51
Calhoun	1,389	132	873	1,005	72.4%	69	52
Tucker	1,354	146	511	657	48.5%	68	53
Wirt	1,268	103	566	669	52.8%	63	54
Gilmer	1,154	93	602	695	60.2%	58	55
<b>Totals</b>	<b>382,490</b>	<b>25,053</b>	<b>160,950</b>	<b>186,003</b>	<b>48.6%</b>	<b>19,125</b>	



**Note 1:** The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

**Note 2:** It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

**West Virginia Children's Health Insurance Program**  
**Comparative Statement of Revenues, Expenditures and Changes In Fund Balances**  
**For the Five Months Ending November 30, 2009 and November 30, 2008**  
**(Modified Accrual Basis)**

	November 30, 2009	November 30, 2008	Variance	
<b>Revenues:</b>				
Federal Grants	15,803,011	14,928,676	874,335	6%
State Appropriations	4,608,538	4,608,109	429	0%
Premium Revenues	125,935	44,657	81,278	182%
Investment Earnings	<u>37,954</u>	<u>78,305</u>	<u>(40,351)</u>	<u>-52%</u>
<b>Total Operating Revenues</b>	<b><u>20,575,438</u></b>	<b><u>19,659,747</u></b>	<b><u>915,691</u></b>	<b><u>5%</u></b>
<b>Operating Expenditures:</b>				
<b>Claims:</b>				
Outpatient Services	5,077,554	4,518,452	559,102	12%
Physicians & Surgical	4,193,877	3,947,919	245,958	6%
Prescribed Drugs	3,561,034	3,297,747	263,287	8%
Dental	2,013,081	2,101,305	(88,224)	-4%
Inpatient Hospital Services	1,109,665	1,529,176	(419,511)	-27%
Durable & Disposable Med. Equip.	546,739	529,672	17,067	3%
Outpatient Mental Health	446,459	499,146	(52,687)	-11%
Vision	315,282	286,674	28,608	10%
Inpatient Mental Health	306,353	262,026	44,327	17%
Therapy	190,754	161,556	29,198	18%
Medical Transportation	113,402	133,216	(19,814)	-15%
Other Services	(6,046)	35,702	(41,748)	-117%
Less: Collections*	<u>(262,931)</u>	<u>(351,138)</u>	<u>88,207</u>	<u>-25%</u>
<b>Total Claims</b>	<b><u>17,605,223</u></b>	<b><u>16,951,453</u></b>	<b><u>653,770</u></b>	<b><u>4%</u></b>
<b>General and Admin Expenses:</b>				
Salaries and Benefits	210,992	206,747	4,245	2%
Program Administration	1,273,322	897,826	375,496	42%
Eligibility	161,072	140,712	20,360	14%
Outreach & Health Promotion	157,044	48,637	108,407	223%
Current	<u>52,083</u>	<u>60,052</u>	<u>(7,969)</u>	<u>-13%</u>
<b>Total Administrative</b>	<b><u>1,854,513</u></b>	<b><u>1,353,974</u></b>	<b><u>500,539</u></b>	<b><u>37%</u></b>
<b>Total Expenditures</b>	<b><u>19,459,736</u></b>	<b><u>18,305,427</u></b>	<b><u>1,154,309</u></b>	<b><u>6%</u></b>
<b>Excess of Revenues</b>				
Over (Under) Expenditures	1,115,702	1,354,320	(238,618)	-18%
<b>Fund Equity, Beginning</b>	<b><u>8,254,028</u></b>	<b><u>4,977,366</u></b>	<b><u>3,276,662</u></b>	<b><u>66%</u></b>
<b>Fund Equity, Ending</b>	<b><u>9,369,730</u></b>	<b><u>6,331,686</u></b>	<b><u>3,038,044</u></b>	<b><u>48%</u></b>

\* Collections are primarily drug rebates and subrogation

## PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program  
Comparative Balance Sheet  
November 2009 and 2008  
(Accrual Basis)**

	November 30, 2009	November 30, 2008	Variance	
<b>Assets:</b>				
Cash & Cash Equivalents	\$11,274,286	\$9,778,848	\$1,495,438	15%
Due From Federal Government	\$3,272,300	\$2,856,609	\$415,691	15%
Due From Other Funds	\$726,600	\$643,708	\$82,892	13%
Accrued Interest Receivable	\$32,791	\$10,567	\$22,224	210%
Fixed Assets, at Historical Cost	<u>\$69,738</u>	<u>\$70,829</u>	<u>(\$1,091)</u>	<u>-2%</u>
<b>Total Assets</b>	<b><u>\$15,375,714</u></b>	<b><u>\$13,360,561</u></b>	<b><u>\$2,015,153</u></b>	<b><u>15%</u></b>
<b>Liabilities:</b>				
Due to Other Funds	\$358,900	\$310,317	\$48,583	16%
Deferred Revenue	\$2,007,084	\$3,528,558	(\$1,521,474)	-43%
Unpaid Insurance Claims Liability	<u>\$3,640,000</u>	<u>\$3,190,000</u>	<u>\$450,000</u>	<u>14%</u>
<b>Total Liabilities</b>	<b><u>\$6,005,984</u></b>	<b><u>\$7,028,875</u></b>	<b><u>(\$1,022,891)</u></b>	<b><u>-15%</u></b>
<b>Fund Equity</b>	<b><u>\$9,369,730</u></b>	<b><u>\$6,331,686</u></b>	<b><u>\$3,038,044</u></b>	<b><u>48%</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$15,375,714</u></b>	<b><u>\$13,360,561</u></b>	<b><u>\$2,015,153</u></b>	<b><u>15%</u></b>

**PRELIMINARY FINANCIAL STATEMENTS**

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program  
WVFIMS Fund 2154  
For the Month Ended November 30, 2009  
(Accrual Basis)**

**Investment Account**

Funds Invested	\$10,941,225
Interest Earned	<u>37,954</u>
<b>Total</b>	<b><u>\$10,979,179</u></b>

Unaudited - For Management Purposes Only - Unaudited



**Department of Administration Real Estate Division Leasing Report**  
For the period of December 1, 2009 through December 31, 2009

**NEW CONTRACT OF LEASE**

**DEPARTMENT OF AGRICULTURE**

**AGR-048** New contract of lease for 3 years consisting of 629 square feet of office space at the annual PSF rate of \$8.59, full service, in the City of Hinton, Summers County, West Virginia.

**DIVISION OF JUVENILE SERVICES**

**DJS-023** New contract of lease for 10 years containing 1,800 square feet of office space at the rate of \$1.00 per year, parking included, in the City of Dunbar, Kanawha County, West Virginia.

**STRAIGHT RENEWAL**

**DIVISION OF CORRECTIONS**

**COR-079** Renewal for 3 years consisting of 2,077 square feet of office space at the current annual PSF rate of \$12.00, full service excluding janitorial service, in the City of Parkersburg, Wood County, West Virginia.

**AVIATION DIVISION**

**AVD-001** Renewal for 2 years consisting of 2,040 square feet of office space at the current annual PSF rate of \$16.00, full service excluding janitorial service and snow removal, in the City of Charleston, Kanawha County, West Virginia.

**EDUCATIONAL BROADCASTING AUTHORITY**

**EBA-083** Renewal for 3 years consisting of a parcel of land 20 x 20 feet, at the current rate of \$100.00 per year, in the City St. Albans, Kanawha County, West Virginia.

**WEST VIRGINIA BOARD OF CHIROPRACTIC EXAMINERS**

**BCE-004** Renewal for 1 year containing 373 square feet of office space at the current rate of \$300.00 per month, full service excluding natural gas, in the City of South Charleston, Kanawha County, West Virginia.

**DIVISION OF FORESTRY**

**FOR-071** Renewal on a month-to-month basis consisting of a tower/monitoring site, at the current rate of \$150.00 per month, including electrical service, in the City of Milton, Cabell County, West Virginia.

**DIVISION OF TOURISM**

**TOR-007** Renewal for 1 year consisting of 1,750 square feet of office space at the current annual PSF rate of \$15.00, full service excluding janitorial service, in the City of Triadelphia, Ohio County, West Virginia.

## STRAIGHT RENEWAL-CONTINUED

### **DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT**

**OES-017** Renewal for 1 year containing 8,000 square feet of warehouse/storage space, at the current annual PSF rate of \$4.82, in the City of Big Chimney, Kanawha County, West Virginia.

### **DIVISION OF NATURAL RESOURCES**

**NAT-129** Renewal for 2 years containing 165 square feet of office space, at the current rate of \$200.00 per month, full service, in the City of Madison, Boone County, West Virginia.

### **WV CONSERVATION AGENCY**

**SCC-008** Renewal for 5 years containing 2,488 square feet of office space, at the current annual PSF rate of \$8.11, full service, in the City of Romney, Hampshire County, West Virginia.

### **LOTTERY COMMISSION**

**LOT-006** Renewal for 1 year containing 190 square feet of office space, at the current rate of \$126.66 per month, full service, in the City of Wheeling, Ohio County, West Virginia.

## STRAIGHT RENEWAL-DOA OWNED

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-081** New Contract of Lease on a month-to-month basis containing 576 square feet of office space at the annual PSF rate of \$9.00, full service, in the City of French Creek, Upshur County, West Virginia.

### **DIVISION OF FORESTRY**

**FOR-034** New contract of lease on a month-to-month basis containing 892 square feet of office space at the annual PSF rate of \$9.00, full service, in the City of French Creek, Upshur County, West Virginia.

## STRAIGHT RENEWAL-SUBLEASE

### **COUNCIL OF THE THREE RIVERS**

**CTR-001-SUB** Renewal on a month-to-month basis not to exceed November 30, 2011 consisting of 250 square feet of office space, at the current rate of \$175.00 per month, full service, in the City of Charleston, Kanawha County, West Virginia.

## INCREASE SQUARE FOOTAGE

### **ATTORNEY GENERAL'S OFFICE**

**AGO-015** Increase in square footage from 13,470 square feet to 13,712 square feet of office space at the current annual PSF rate of \$14.90, full service excluding electric, in the City of Charleston, Kanawha County, West Virginia.

## INCREASE SQUARE FOOTAGE-CONTINUED

### **DIVISION OF MINERS HEALTH, SAFETY AND TRAINING**

**MHS-004** Increase in square footage from 7,417 square feet to 9,042 square feet of office and storage space, at the current annual PSF rate of \$8.78, including snow removal and parking only, in the City of Charleston, Kanawha County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-143** Increase in square footage from 240 square feet to 437 square feet of tower/monitoring site space, at the current rate of \$1.00 per year, in the City of Moundsville, Marshall County, West Virginia.

## CANCELLATION

### **DIVISION OF JUVENILE SERVICES**

**DJS-016** Lease cancellation consisting of 150 square feet of warehousing/storage space in the City of Dunbar, Kanawha County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-146** Lease cancellation effective March 31, 2010 consisting of an air monitoring site, in the City of Bluefield, Mercer County, West Virginia.

### **MINERS HEALTH AND SAFETY**

**MHS-024** Lease cancellation effective January 31, 2010 consisting of 1,650 square feet of office space in the City of Charleston, Kanawha County, West Virginia.

**Joint Committee on Government and Finance**

**January 2010**

**Department of Health and Human Resources**

**MEDICAID REPORT**

October 2009 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 8FY2010

Note: The Centers for Medicare and Medicaid Services (CMS) has mandated changes to reporting of Medicaid expenditures. The report below reflects the updated categorizations by provider type, which is the new format for future quarterly CMS 84 reports. The Department is in the process of re-coding the data and reports to comply with the mandated reporting changes. At the present time, we are only able to present provider type detail for the month of October. Prior Year Actuals, Year-to-Date Actuals and remaining Projected Budget provider type detail will be updated when the coding changes are complete and data validation and quality assurance processes have been performed.

INTERIM DATA - SUBJECT TO REVISION

MONTH OF OCTOBER 2009	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	8FY2009	8FY2010	Current Month Oct-09	Current Month Oct-09	Year To-Date Thru 10/31/09	11/1/09 Thru 06/30/10
<b>EXPENDITURES:</b>						
Inpatient Hospital - Reg. Payments	260,948,991	127,598,926	14,798,912	10,845,000		
Inpatient Hospital - DSH	54,488,945	55,411,679	-	-		
Inpatient Hospital - Supplemental Payments	-	114,140,000	8,301,925	5,301,925		
Inpatient Hospital - GME Payments	-	4,073,000	-	-		
Mental Health Facilities	47,960,442	55,718,940	7,041,801	4,847,000		
Mental Health Facilities - DSH Adjustment Payments	18,788,499	19,055,754	-	-		
Nursing Facility Services - Regular Payments	484,023,240	491,237,898	37,826,021	40,630,000		
Nursing Facility Services - Supplemental Payments	-	-	-	-		
Intermediate Care Facilities - Public Providers	-	-	-	-		
Intermediate Care Facilities - Private Providers	63,248,071	63,402,719	5,134,888	5,264,000		
Intermediate Care Facilities - Supplemental Payments	-	-	-	-		
Physicians Services - Regular Payments	143,420,126	128,926,808	12,043,604	10,078,000		
Physicians Services - Supplemental Payments	-	22,765,000	4,455,868	5,988,000		
Outpatient Hospital Services - Regular Payments	120,824,371	118,191,984	9,184,287	9,894,000		
Outpatient Hospital Services - Supplemental Payments	-	-	-	-		
Prescribed Drugs	341,993,692	367,893,429	33,235,740	30,878,000		
Drug Rebate Offset - National Agreement	(130,991,220)	(128,764,904)	(26,894,252)	(26,894,252)		
Drug Rebate Offset - State Sidebar Agreement	(30,810,728)	(30,333,852)	(5,627,769)	(2,828,000)		
Dental Services	40,380,088	48,900,576	4,324,213	4,082,000		
Other Practitioners Services - Regular Payments	22,381,183	7,816,852	1,188,872	698,000		
Other Practitioners Services - Supplemental Payments	-	-	9,777	-		
Clinic Services	39,855,489	14,837,984	519,357	1,247,000		
Lab & Radiological Services	10,177,238	10,839,736	1,113,264	923,000		
Home Health Services	32,661,694	38,699,618	3,240,292	3,038,000		
Hysterectomies/Sterilizations	616,289	574,054	19,016	48,000		
Pregnancy Terminations	-	-	-	-		
EPSDT Services	2,247,631	2,699,689	220,334	217,000		
Rural Health Clinic Services	7,793,509	8,637,239	785,635	716,000		
Medicare Health Insurance Payments - Part A Premiums	14,821,458	19,058,438	1,406,623	1,891,000		
Medicare Health Insurance Payments - Part B Premiums	70,371,344	77,248,842	5,884,537	6,424,000		
120% - 134% Of Poverty	4,405,674	5,101,770	418,634	432,000		
135% - 175% Of Poverty	-	-	-	-		
Coinurance And Deductibles	-	-	521,085	-		

INTERIM DATA - SUBJECT TO REVISION

MONTH OF OCTOBER 2009	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2009	SFY2010	Current Month Oct-09	Current Month Oct-09	Year To-Date Thru 10/31/09	11/1/09 Thru 09/30/10
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	264,687,012	265,058,331	30,021,876	22,088,000		
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-		
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-		
Medicaid Health Insurance Payments: Group Health Plan Payments	393,790	416,862	39,218	35,000		
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-		
Medicaid Health Insurance Payments: Other	-	-	-	-		
Home & Community-Based Services (MR/DD)	233,488,883	256,920,094	22,523,711	21,411,000		
Home & Community-Based Services (Aged/Disabled)	80,034,343	89,794,000	8,302,081	7,483,000		
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-		
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-		
Community Supported Living Services	-	-	-	-		
Programs Of All-Inclusive Care Elderly	-	-	-	-		
Personal Care Services - Regular Payments	37,675,886	42,577,777	3,843,521	3,550,000		
Personal Care Services - SDS 1915(j)	-	-	-	-		
Targeted Case Management Services - Com. Case Management	4,309,095	0	-	-		
Targeted Case Management Services - Institutional Transitioning	-	-	-	-		
Targeted Case Management Services - State Wide	-	5,811,539	342,814	472,000		
Primary Care Case Management Services	909,744	891,427	38,841	58,000		
Hospice Benefits	14,488,070	15,248,730	1,640,127	1,271,000		
Emergency Services Undocumented Aliens	59,318	-	20,601	-		
Federally Qualified Health Center	16,761,540	20,208,125	1,697,399	1,693,000		
Non-Emergency Medical Transportation	-	4,602,000	517,488	375,000		
Physical Therapy	-	2,076,000	174,705	173,000		
Occupational Therapy	-	858,000	17,004	59,000		
Services for Speech, Hearing & Language	-	504,000	27,104	42,000		
Prosthetic Devices, Dentures, Eyeglasses	-	690,000	224,631	57,000		
Diagnostic Screening & Preventive Services	-	-	36,587	-		
Nurse Mid-Wife	-	-	39,984	-		
Emergency Hospital Services	-	-	691,696	-		
Critical Access Hospitals	-	5,507,000	2,204,079	459,000		
Nurse Practitioner Services	-	1,550,000	83,676	129,000		
School Based Services	-	44,065,000	2,209,623	3,674,000		
Rehabilitative Services (Non-School Based)	-	84,762,000	7,040,246	6,399,000		
Private Duty Nursing	-	3,119,000	214,337	260,000		
Other Care Services	128,150,532	51,022,601	3,213,612	4,362,000		
Less: Recoupments	-	-	(60,946)	-		
<b>NET EXPENDITURES:</b>	<b>2,410,196,306</b>	<b>2,514,832,515</b>	<b>202,727,602</b>	<b>202,660,925</b>	<b>830,342,318</b>	<b>1,684,190,198</b>
Collections: Third Party Liability (line 9A on CMS-84)	(6,038,342)				(1,213,597)	1,213,597
Collections: Probate (line 9B on CMS-84)	(1,222,220)				(16,204)	16,204
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-84)	(13,769)				(264)	264
Collections: Other (line 9D on CMS-84)	(5,609,008)				(648,907)	648,907
<b>NET EXPENDITURES and CMS-84 ADJUSTMENTS:</b>	<b>2,398,512,985</b>	<b>2,514,832,515</b>	<b>202,727,602</b>	<b>202,660,925</b>	<b>828,463,948</b>	<b>1,686,069,170</b>
Plus: Medicaid Part D Expenditures	27,747,652	31,999,257	2,709,749	3,076,850	13,255,423	16,743,614
Plus: State Only Medicaid Expenditures	4,583,431	3,846,891	400,535	381,834	1,664,699	2,162,301
<b>TOTAL MEDICAID EXPENDITURES</b>	<b>2,430,844,068</b>	<b>\$2,550,378,663</b>	<b>\$203,838,086</b>	<b>\$208,119,709</b>	<b>\$843,383,388</b>	<b>\$1,708,985,285</b>
Plus: Reimbursables	4,328,882	4,787,964	570,005	419,851	1,866,003	2,921,561
<b>TOTAL EXPENDITURES</b>	<b>2,435,172,950</b>	<b>\$2,555,166,207</b>	<b>\$206,408,091</b>	<b>\$208,539,560</b>	<b>\$845,249,391</b>	<b>\$1,708,916,846</b>

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 MEDICAID CASH REPORT  
 SFY2010

4 Months Actuals      8 Months Remaining

MONTH OF OCTOBER 2009	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2009	Current Month Ended 10/31/09	Year-To-Date Thru 10/31/09	11/1/2009 Thru 6/30/10	SFY2010
<b>REVENUE SOURCES</b>					
Beg. Bal. (5084/1020 prior mth)	34,933,055	80,139,927	\$118,583,948		\$118,583,948
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	393,705,887	17,588,203	58,595,198	208,720,370	287,315,568
MRDD Waiver (0403/488)	-	5,892,688	21,963,286	58,390,197	80,353,463
Rural Hospitals Under 150 Beds (0403/840)	2,586,000	216,334	885,334	1,730,668	2,596,000
Tertiary Funding (0403/647)	4,858,000	528,867	2,118,667	4,237,333	6,356,000
Lottery Waiver (Less 550,000) (5405/539)	23,272,578		6,460,000	18,822,578	23,272,578
Lottery Transfer (5405/871)	10,300,000		2,500,000	6,170,000	8,870,000
Trust Fund Appropriation (5185/189)	19,784,219		0	30,558,594	30,558,594
Provider Tax (5090/189)	188,400,000	14,000,000	51,900,000	112,758,280	184,658,280
Certified Match	19,399,722	812,241	4,715,247	11,115,093	16,830,340
Reimbursables - Amount Reimbursed	4,346,806	712,185	1,434,902	3,352,881	4,787,584
Other Revenue (MWIN, Escheated Warrants, etc.) 8084/4010 & 4015	428,344	41,838	181,338	(181,338)	0
CMS - 64 Adjustments	1,098,690		(190,020)	190,020	0
<b>TOTAL MATCHING FUNDS</b>	680,123,202	\$129,833,084	\$267,097,801	\$453,882,464	\$720,980,365
<b>FEDERAL FUNDS</b>	1,874,489,691	175,443,130	677,818,420	\$1,411,872,550	\$2,089,791,970
<b>TOTAL REVENUE SOURCES</b>	2,554,812,893	\$305,376,213	\$944,817,320	\$1,865,855,015	\$2,810,772,335
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	2,435,173,830	\$208,408,081	\$845,249,331	\$1,709,918,846	2,555,166,207
<b>TOTAL</b>	119,438,934	\$96,968,122	\$99,667,960	\$119,936,169	\$255,606,128

Note: FMAP (08' - 83.05% applicable July - Sept. 2009) ( 10' - 83.05% applicable Oct. 2009 - June 2010)  
 (1) This amount will revert to State Only if not reimbursed.



**West Virginia Investment Management Board**

Monthly Performance Report

November 30, 2009



## West Virginia Investment Management Board

Participant Plans Allocation & Performance

As of November 30, 2009

	Asset \$	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WVIMB Fund Assets</b>	<b>10,457,192,331</b>	<b>100.0</b>							
<b>Pension Assets</b>	<b>8,386,808,255</b>	<b>80.2</b>							
Public Employees' Retirement System	3,704,414,860	35.4	2.7	5.7	15.4	31.7	-0.6	4.2	4.9
Teachers' Retirement System	3,986,032,962	38.1	2.6	5.5	14.7	30.1	-1.4	3.7	4.6
Teachers' Employers Cont. Collection A/C	27,476,717	0.3	0.0	0.0	0.1	0.3	-	-	-
EMS Retirement System	21,119,251	0.2	2.7	5.7	15.2	31.3	-	-	-
Public Safety Retirement System	407,243,327	3.9	2.7	5.7	15.3	31.5	-0.7	4.0	4.9
Judges' Retirement System	101,786,622	1.0	2.7	5.7	15.3	31.4	-0.7	4.1	4.8
State Police Retirement System	48,831,632	0.5	2.7	5.6	15.2	31.4	-0.6	4.2	4.9
Deputy Sheriffs' Retirement System	89,902,884	0.9	2.7	5.7	15.3	31.6	-0.7	4.1	4.9
<b>Insurance Assets</b>	<b>1,496,162,113</b>	<b>14.3</b>							
Workers' Compensation Old Fund	772,003,742	7.4	1.1	3.9	11.0	25.3	1.2	-	-
Workers' Comp. Self-Insured Guaranty Risk Pool	7,600,974	0.1	0.0	0.0	0.1	0.3	2.8	-	-
Workers' Comp. Uninsured Employers Fund	8,708,966	0.1	0.0	0.0	0.1	0.3	2.8	-	-
Pnuemoconiosis	243,742,556	2.3	1.4	4.2	10.6	25.5	1.9	-	-
Board of Risk & Insurance Mgmt.	117,083,023	1.1	1.4	4.4	11.0	27.8	3.2	5.0	-
Public Employees' Insurance Agency	127,098,056	1.2	1.3	4.3	10.5	26.2	2.5	-	-
WV Retiree Health Benefit Trust Fund	219,924,796	2.1	1.0	4.1	9.7	27.4	-	-	-
<b>Endowment Assets</b>	<b>574,221,963</b>	<b>5.5</b>							
Wildlife Fund	35,966,318	0.3	2.7	5.7	15.3	31.6	-0.6	4.1	5.8
Prepaid Tuition Trust	81,279,600	0.8	2.5	5.7	16.5	36.0	0.7	4.9	5.5
Revenue Shortfall Reserve Fund	185,657,505	1.8	0.6	3.8	13.4	27.6	-1.8	-	-
Revenue Shortfall Reserve Fund - Part B	271,318,539	2.6	1.7	4.6	14.1	28.2	-1.9	-	-

## West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of November 30, 2009

	Asset \$	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
<b>Investment Pools Composite</b>	10,462,280,182	100.00								
<b>Total Equity Composite</b>	4,563,383,943	43.62	3.70	6.62	21.18	39.14	-4.12	3.49	3.43	
<i>Total Equity Policy Index</i>			4.29	7.08	20.75	36.96	-5.37	2.50	2.36	
<b>Excess Return</b>			-0.59	-0.46	0.43	2.18	1.25	0.99	1.07	
<b>US Equity Composite</b>	2,258,843,755	21.59	5.63	7.20	19.41	25.43	-6.31	0.92	1.97	
<i>Russell 3000 Index</i>			5.68	7.28	19.76	27.17	-5.93	0.90	0.13	
<b>Excess Return</b>			-0.05	-0.08	-0.35	-1.74	-0.38	0.02	1.84	
<b>Large Cap Composite</b>	1,911,734,856	18.27	5.91	7.34	19.69	25.31	-6.13	0.71	-0.68	
<i>S&amp;P 500</i>			6.00	7.91	20.26	25.39	-5.79	0.71	-0.57	
<b>Excess Return</b>			-0.09	-0.57	-0.57	-0.08	-0.34	0.00	-0.11	
<b>Non-Large Cap Composite</b>	347,108,900	3.32	4.09	6.43	17.94	26.19	-6.90	1.04	6.42	
<i>Russell 2500 Index</i>			4.03	3.70	17.67	32.16	-6.91	0.95	5.26	
<b>Excess Return</b>			0.06	2.73	0.27	-5.97	0.01	0.09	1.16	
<b>International Equity Composite</b>	2,304,540,188	22.03	1.88	5.63	22.38	53.09	-1.02	7.77	5.79	
<i>MSCI AC World ex USA</i>			2.89	6.86	21.71	47.13	-2.73	6.75	3.84	
<b>Excess Return</b>			-1.01	-1.23	0.67	5.96	1.71	1.02	1.95	
<b>Fixed Income Composite</b>	2,935,334,025	28.06	0.87	4.21	9.80	28.13	4.34	4.81	6.83	
<i>Fixed Income Policy</i>			1.27	3.23	6.41	14.18	6.37	5.48	6.44	
<b>Excess Return</b>			-0.40	0.98	3.39	13.95	-2.03	-0.67	0.39	
<b>TRS Annuity</b>	202,619,622	1.94	0.36	1.10	1.86					
<b>Cash Composite</b>	362,656,005	3.47	0.01	0.03	0.07	0.44	2.83	3.30	3.17	
<i>Citigroup 90 Day T-Bill + 15bps</i>			0.02	0.07	0.11	0.34	2.51	3.07	3.10	
<b>Excess Return</b>			-0.01	-0.04	-0.04	0.10	0.32	0.23	0.07	
<b>Private Equity Composite</b>	809,363,006	7.74	4.77	7.18	11.10	13.77				
<b>Private Real Estate Composite</b>	416,865,375	3.98	2.38	2.91	3.80	1.77				
<b>Hedge Funds Composite</b>	1,172,058,205	11.20	0.81	3.64	7.13	16.74				

## West Virginia Investment Management Board

Participant Plans Allocation vs. Targets

As of November 30, 2009

	Domestic Equity		Int'l Equity		Fixed Income		Private Equity		Real Estate		Hedge Funds		Cash	
	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %
<b>Pension Assets</b>														
Public Employees' Retirement System	25.1	25.0	25.6	25.0	24.1	25.0	9.6	10.0	5.0	5.0	10.4	10.0	0.4	0.0
Teachers' Retirement System	25.1	25.0	25.5	25.0	21.5	25.0	9.6	10.0	5.0	5.0	10.3	10.0	3.1	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	26.0	25.0	26.1	25.0	20.4	25.0	9.6	10.0	5.2	5.0	10.3	10.0	2.4	0.0
Public Safety Retirement System	25.2	25.0	25.3	25.0	24.3	25.0	10.2	10.0	5.0	5.0	9.9	10.0	0.1	0.0
Judges' Retirement System	25.1	25.0	25.3	25.0	24.3	25.0	10.0	10.0	5.0	5.0	9.9	10.0	0.4	0.0
State Police Retirement System	24.8	25.0	24.9	25.0	24.7	25.0	9.7	10.0	4.9	5.0	9.8	10.0	1.2	0.0
Deputy Sheriffs' Retirement System	25.0	25.0	25.1	25.0	24.6	25.0	10.0	10.0	4.9	5.0	9.9	10.0	0.6	0.0
<b>Insurance Assets</b>														
Workers' Compensation Old Fund	4.8	5.0	5.0	5.0	60.0	80.0	0.0	0.0	0.0	0.0	17.1	0.0	13.0	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
Workers' Comp. Uninsured Employers Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
Pnuemoconiosis	10.1	10.0	10.2	10.0	55.1	55.0	0.0	0.0	0.0	0.0	20.0	20.0	4.5	5.0
Board of Risk & Insurance Mgmt.	10.1	10.0	10.2	10.0	59.5	60.0	0.0	0.0	0.0	0.0	19.9	20.0	0.3	0.0
Public Employees' Insurance Agency	7.6	7.5	7.6	7.5	64.6	65.0	0.0	0.0	0.0	0.0	20.0	20.0	0.2	0.0
WV Retiree Health Benefit Trust Fund	2.5	2.5	2.5	2.5	94.9	95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
<b>Endowment Assets</b>														
Wildlife Fund	25.0	25.0	25.1	25.0	24.6	25.0	10.0	10.0	4.9	5.0	9.9	10.0	0.5	0.0
Prepaid Tuition Trust	30.1	30.0	30.3	30.0	38.3	40.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	58.6	100.0	0.0	0.0	0.0	0.0	17.5	0.0	23.9	0.0
Revenue Shortfall Reserve Fund - Part B	15.0	15.0	15.5	15.0	44.1	70.0	0.0	0.0	0.0	0.0	17.3	0.0	8.2	0.0

### Statutory Limitations

- Public Equity - 75%
- International Equity - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

## West Virginia Investment Management Board

### Footnotes

As of November 30, 2009

---

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.

Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.

Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.

Returns are net of manager fees. Returns shorter than one year are unannualized.

## DISCLAIMER

---

Summit Strategies Group (Summit) has prepared this report for the exclusive use by the client for which it was prepared. The information herein was obtained from various sources, such as the client's custodian(s) accounting statements, commercially available databases, and other economic and financial market data sources. While Summit believes these sources to be reliable, Summit does not guarantee nor shall be liable for the market values, returns or other information contained in this report. The market commentary, portfolio holdings and characteristics are as of the date shown and are subject to change. Past performance is not an indication of future performance. No graph, chart, or formula can, in and of itself, be used to determine which securities or investments to buy or sell. Any forward-looking projection contained herein is based on assumptions that Summit believes may be reasonable, but are subject to a wide range of risks, uncertainties, and the possibility of loss. Accordingly, there is no assurance that any estimated performance figures will occur in the amounts and during the periods indicated, or at all. Actual results and performance will differ from those expressed or implied by such forward-looking projections. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.



---

# Status Report Workers' Compensation

Joint Committee on  
Government & Finance

1/06/10

*Provided by the West Virginia Offices of the Insurance Commissioner*

---



**OLD FUND / DEBT REDUCTION  
FY 2010 – FY 2009  
COMPARISON  
December FY2010**

**YEAR TO DATE**

	FY2010	FY2009	Change	FY2009 Annual
<b>Revenues</b>				
Personal Income Tax	31,800,000	31,800,000	-	95,400,000
Severance Tax	45,361,422	47,592,925	(2,231,503)	125,672,963
Debt Reduction Surcharge	18,698,213	19,021,667	(323,455)	40,115,329
Self-Insured Debt Reduction Surcharge	3,158,720	3,568,861	(410,141)	6,568,235
Video Lottery	11,000,000	11,000,000	-	11,000,000
Employer Premium	1,211,672	1,812,560	(600,888)	2,945,070
Other Income - Return of Unclaimed Property	31,194	29,669	1,525	39,392
<b>Total Revenues</b>	<u>111,261,221</u>	<u>114,825,683</u>	<u>(3,564,462)</u>	<u>281,740,989</u>
Surplus Note Principal Payments	<u>43,500,000</u>	<u>60,000,000</u>	<u>(16,500,000)</u>	<u>145,000,000</u>
Investment / Interest Earnings (Losses)	<u>80,502,932</u>	<u>(166,717,931)</u>	<u>247,220,863</u>	<u>(94,861,549)</u>
<b>Expenditures</b>				
Public Employees Insurance	31,495	59,406	(27,911)	105,117
Payment of Claims	130,563,057	127,360,460	3,202,597	251,860,952
Contractual/Professional	10,175,895	10,081,134	94,762	20,185,265
<b>Total Expenditures</b>	<u>140,770,448</u>	<u>137,501,000</u>	<u>3,269,448</u>	<u>272,151,333</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>94,493,705</u>	<u>(127,446,896)</u>	<u>223,886,953</u>	<u>59,728,107</u>
Cash Beginning Balances	<u>795,869,972</u>	<u>734,195,514</u>	<u>61,674,458</u>	<u>734,195,513</u>
<b>Cash Ending Balances</b>	<u>890,363,678</u>	<u>608,694,969</u>	<u>281,668,709</u>	<u>795,869,970</u>

**OLD FUND / DEBT REDUCTION**  
**Quarterly Summary**  
**December FY2010**

	1st Quarter	2nd Quarter	Y-T-D FY2010	Y-T-D FY2009	Change
<b>Revenues</b>					
Personal Income Tax		31,800,000	31,800,000	31,800,000	-
Severance Tax	19,556,893	25,804,529	45,361,422	47,592,925	(2,231,503)
Debt Reduction Surcharge	7,949,566.61	10,748,646	18,698,213	19,021,667	(323,455)
Self-Insured Debt Reduction Surcharge	1,335,879.45	1,822,840.80	3,158,720	3,568,861	(410,141)
Video Lottery	11,000,000		11,000,000	11,000,000	-
Employer Premium	572,113	639,559	1,211,672	1,812,560	(600,888)
Other Income - Return of Unclaimed Property		31,194	31,194	29,669	1,525
<b>Total Revenues</b>	<b>40,414,452</b>	<b>70,846,769</b>	<b>111,261,221</b>	<b>114,825,683</b>	<b>(3,564,462)</b>
Surplus Note Principal Payments			43,500,000	60,000,000	(16,500,000)
Investment / Interest Earnings (Losses)			80,502,932	(166,717,931)	247,220,863
<b>Expenditures</b>					
Public Employees Insurance	7,937	23,558	31,495	59,406	(27,911)
Payment of Claims	65,253,474	65,309,583	130,563,057	127,360,460	3,202,597
Contractual/Professional	5,065,476	5,110,419	10,175,895	10,081,134	94,762
<b>Total Expenditures</b>	<b>70,326,887</b>	<b>70,443,560</b>	<b>140,770,448</b>	<b>137,501,000</b>	<b>3,269,448</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>65,797,818</b>	<b>28,695,887</b>	<b>94,493,705</b>	<b>(127,446,896)</b>	<b>223,886,953</b>
Cash Beginning Balances	795,869,972	861,667,790	795,869,972		
<b>Cash Ending Balances</b>	<b>861,667,790</b>	<b>890,363,678</b>	<b>890,363,678</b>		



**WEST VIRGINIA  
OFFICES OF THE INSURANCE COMMISSIONER  
SCHEDULE OF NET ASSETS  
Workers' Compensation Old Fund - Debt Reduction  
(In Thousands)  
December FY2010**

	June 30, 2009	December 30, 2009	Change
<b>Assets:</b>			
Cash and Cash Equivalents	800,819	890,364	89,545
Receivables, Net:	<u>63,343</u>	<u>19,843</u>	<u>(43,500)</u>
<b>Total Assets</b>	<u><u>864,162</u></u>	<u><u>910,207</u></u>	<u><u>46,045</u></u>
<b>Liabilities:</b>			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	2,163,500	2,081,713	(81,787)
Other Liabilities	<u>244</u>	<u>244</u>	<u>0</u>
<b>Total Liabilities</b>	<u><u>2,163,744</u></u>	<u><u>2,081,957</u></u>	<u><u>(81,787)</u></u>
<b>Net Assets:</b>			
Unrestricted	<u>(1,299,582)</u>	<u>(1,171,750)</u>	<u>127,832</u>
<b>Total Net Assets</b>	<u><u>(1,299,582)</u></u>	<u><u>(1,171,750)</u></u>	<u><u>127,832</u></u>

\*Debt Reduction estimates are updated on a monthly basis. See note on "Old Fund Liability Estimate" sheet.



**OLD FUND LIABILITY ESTIMATE  
(excluding LAE)  
(discounted)  
December FY2010**

	FY2010	December
<b>Beginning Reserve Amount</b>		2,095,236,323
<b>Claim Payments</b>		22,015,160
<b>Estimated Ending Reserve Amount</b>		2,081,712,615

**Note:**

The interim estimate of the Old Fund liabilities is derived using a formula that reduces the reserve amount at the beginning of each month by the amount of claims payments made during the month.

The formula makes an adjustment for the time value of money, assuming that claim payments are evenly distributed through the month. The estimate is updated monthly.

**WORKERS' COMPENSATION OLD FUND BALANCES**  
**Cash Basis**

**December 2009 Report**

	Calendar Year 2006	Calendar Year 2007	Calendar Year 2008	Calendar Year 2009
<b>Revenue</b>				
Statutory Transfers*	\$ 266,613,362	\$ 261,975,877	\$ 287,088,650	\$ 406,717,692
Collections	8,316,798	1,041,116	3,265,870	2,022,724
Investment Income	50,201,026	40,659,223	(168,342,828)	150,266,163
<b>Total Revenue</b>	<b>\$ 325,131,186</b>	<b>\$ 303,676,215</b>	<b>\$ 122,011,692</b>	<b>\$ 559,006,579</b>
<b>Expenditures</b>				
Claim Payments	\$ 355,245,366	\$ (284,445,313)	\$ (249,839,063)	\$ (255,063,549)
Administrative/Other Expense	\$ (21,630,179)	\$ (24,710,582)	\$ (23,576,238)	\$ (20,357,232)
<b>Total Expenditures</b>	<b>\$ (376,875,545)</b>	<b>\$ (309,155,895)</b>	<b>\$ (273,415,301)</b>	<b>\$ (275,420,781)</b>
Workers' Compensation Commission Initial fund transfer January 2006	711,094,830			
Payments on Surplus Note		8,841,297	102,782,602	130,593,151
<b>Invested Balance with WVIMB at year end</b>	<b>647,444,812</b>	<b>635,908,034</b>	<b>591,375,200</b>	<b>799,903,742</b>
<b>Invested Balance with BTI at year end</b>				<b>85,558,628</b>

**WORKERS' COMPENSATION OLD FUND BENEFIT PAYMENTS**  
**Average Monthly Payments**

**December 2009 Report**

	<b>7/1/07 : 6/30/08</b>	<b>7/1/08 : 6/30/09</b>	<b>7/1/09 : 6/30/10</b>
<b>Claims benefits paid:</b>	Previous 12 month period.	Current 12 month period.	Current 12 month period.
Medical	4,216,466.10	4,296,649.61	4,531,227.69
Permanent Total Disability	12,705,096.33	12,512,742.53	12,374,722.94
Permanent Partial Disability	1,251,457.90	680,987.68	489,702.90
Temporary Total Disability	274,448.93	169,475.85	135,983.95
Settlement Agreements	371,246.66	268,303.45	1,378,104.72
Fatals	2,831,376.60	2,711,468.71	2,672,262.18
104 weeks	435,527.13	551,281.78	499,316.97
<b>Total</b>	<b>22,085,619.64</b>	<b>21,190,909.62</b>	<b>22,081,321.34</b>
Claims credits and overpayments	(369,925.10)	(217,740.97)	(320,811.86)
<b>Total claims paid</b>	<b>21,715,694.54</b>	<b>20,973,168.65</b>	<b>21,760,509.48</b>

**COAL WORKERS PNEUMOCONIOSIS FUND**  
**Quarterly Summary**  
**December FY2010**

	1st Quarter	2nd Quarter	YTD FY 2010	YTD FY 2009	Change
<b>Revenues</b>					
Investment Earnings (Losses)	16,196,622	9,993,366	26,189,988	(52,406,373)	78,596,360
<b>Total Revenues</b>	<u>16,196,622</u>	<u>9,993,366</u>	<u>26,189,988</u>	<u>(52,406,373)</u>	<u>78,596,360</u>
<b>Expenditures</b>					
Payment of Claims	2,468,123	2,607,548	5,075,670	6,234,717	(1,159,047)
Contractual / Professional	15,011	20,036	35,046	(369)	35,405
<b>Total Expenditures</b>	<u>2,483,133</u>	<u>2,627,583</u>	<u>5,110,716</u>	<u>6,234,359</u>	<u>(1,123,642)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>13,713,489</b>	<b>7,365,782</b>	<b>21,079,271</b>	<b>(58,640,731)</b>	<b>79,720,003</b>
Cash Beginning Balances	<u>221,866,212</u>	<u>235,579,701</u>	<u>221,866,212</u>		
<b>Cash Ending Balances</b>	<u><b>236,579,701</b></u>	<u><b>242,945,483</b></u>	<u><b>242,945,483</b></u>		

**UNINSURED FUND  
Quarterly Summary  
December FY2010**

	1st Quarter	2nd Quarter	YTD FY 2010	YTD FY 2009	Change
<b>Revenues</b>					
Fines and Penalties	253,742	219,373	473,116	492,475	(19,359)
Investment Earnings (Losses)	4,325	2,672	6,997	78,787	(71,790)
<b>Total Revenues</b>	<b>258,068</b>	<b>222,045</b>	<b>480,113</b>	<b>571,262</b>	<b>(91,149)</b>
<b>Expenditures</b>					
Payment of Claims	93,185	154,467	247,653	415,066	(167,413)
Contractual/Professional	3,137	5,031	8,168	-	8,168
<b>Total Expenditures</b>	<b>96,322</b>	<b>159,498</b>	<b>255,821</b>	<b>415,066</b>	<b>(167,413)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>161,745</b>	<b>62,547</b>	<b>224,293</b>	<b>156,197</b>	<b>76,264</b>
Cash Beginning Balances	8,588,268	8,750,013	8,588,268		
<b>Cash Ending Balances</b>	<b>8,750,014</b>	<b>8,812,561</b>	<b>8,812,561</b>		

# OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

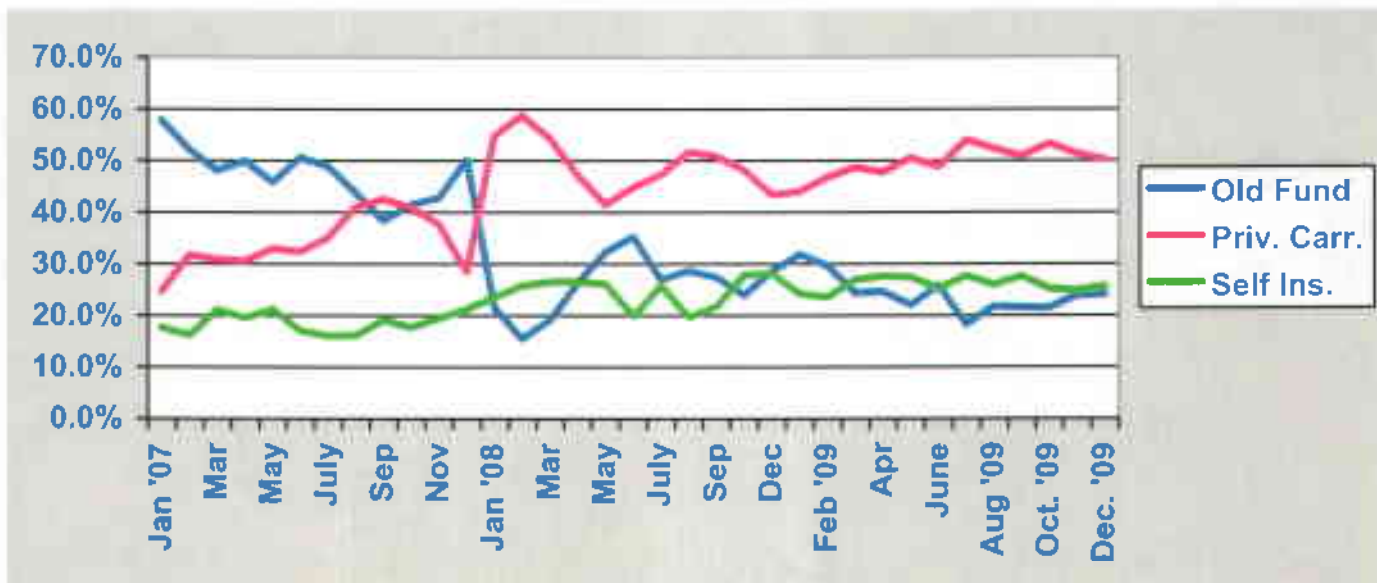
January 4, 2010

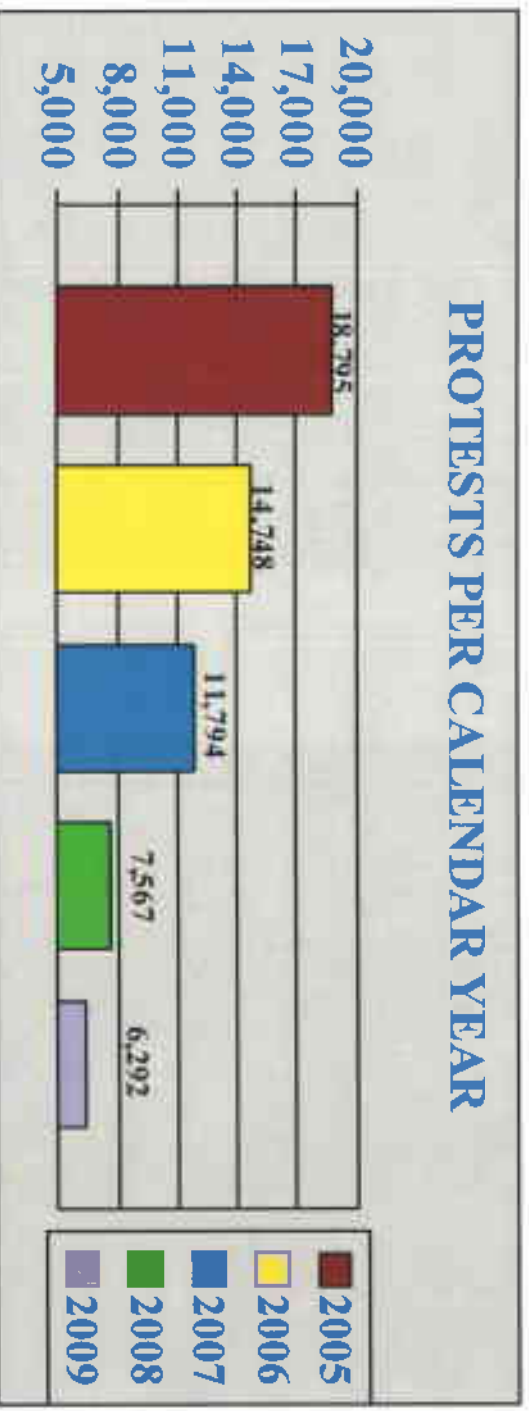
## I. Statistical Analysis

A. Protests Acknowledged: 2008 Dec. 2009  
7567 482 6292

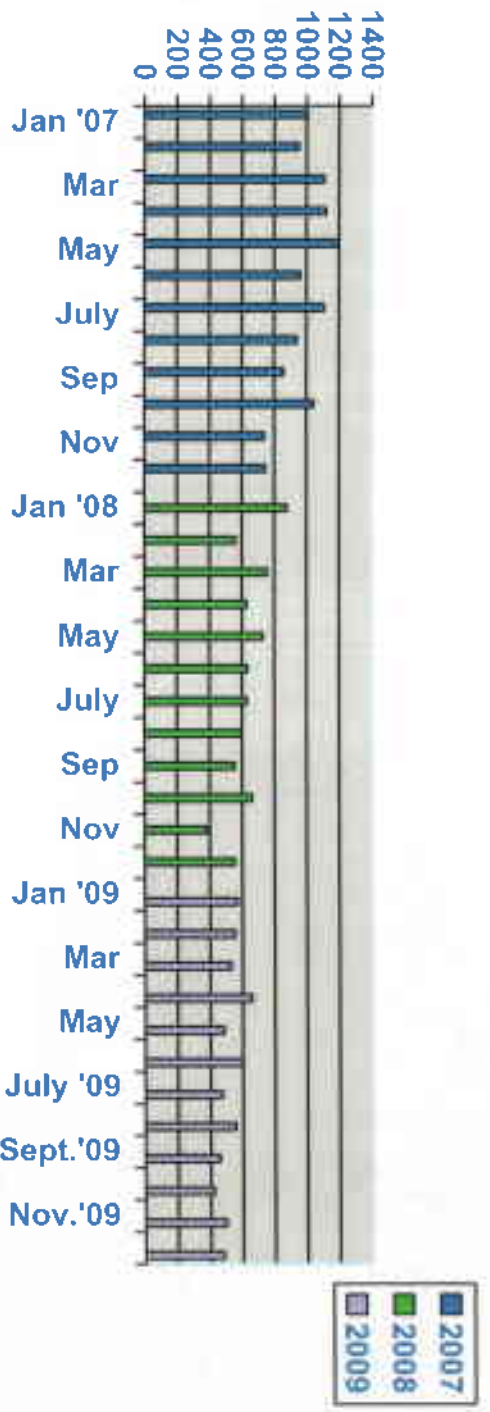
### Fund Involved:

FUND	2006	2007	% of protests	2008	% of protests	Dec. '09	% of protests	2009	% of protests
Old Fund	8,146	4,433	56.68%	1,592	26.18%	90	21.84%	1277	24.13%
Priv. Carrier	2,207	3,370	25.13%	2,971	48.86%	235	57.04%	2661	50.28%
Others									
Self-Insured	2,264	1,772	18.19%	1,518	24.96%	87	21.12%	1354	25.59%
Subtotal	12,617	9,575		6,081		412		5292	
Temporary	2,131	2,219		1,486		70		1000	
Total	14,748	11,794		7,567		482		6292	





### PROTESTS BY MONTH



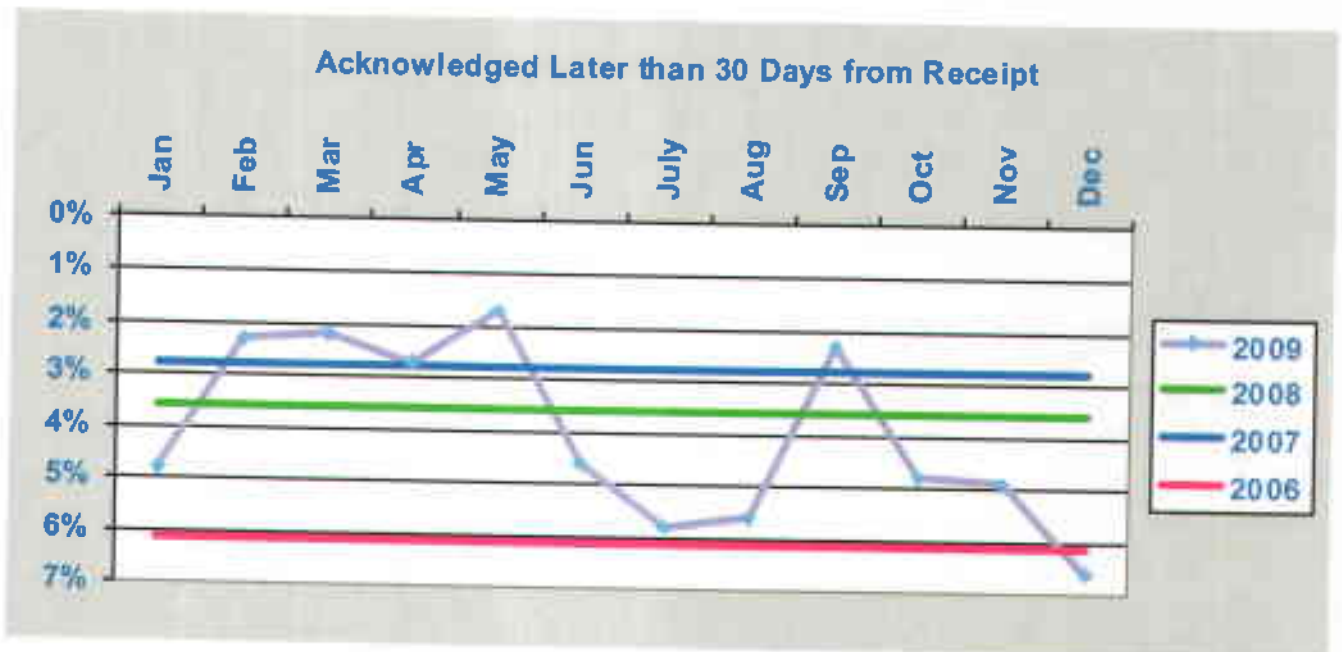
B. **Issues Resolved:**     2008     Dec.     2009  
                                          8,094                                           392                                           5680

**C. Pending Caseload Report**

<b>PENDING END OF NOVEMBER</b>	<b>4,026</b>
PENDING 1 MONTH BEFORE	4,048
PENDING 2 MONTHS BEFORE	4,021
PENDING 3 MONTHS BEFORE	4,125
PENDING 6 MONTHS BEFORE	4,134
PENDING 12 MONTHS BEFORE	<b>4,388</b>

**D. Acknowledgment Timeliness:**

	<u>2008</u>	<u>Dec.</u>	<u>YTD</u>
1. Protest Ackn. >30 days	3.6%	6.6%	4.0%
2. Protest Ackn. 24-30 days	2.3%	6.3%	3.0%
3. Protest Ackn. 11-23 days	19.0%	23.1%	22.6%
4. Protest Ackn. <11 days	75.1%	64.1%	70.4%

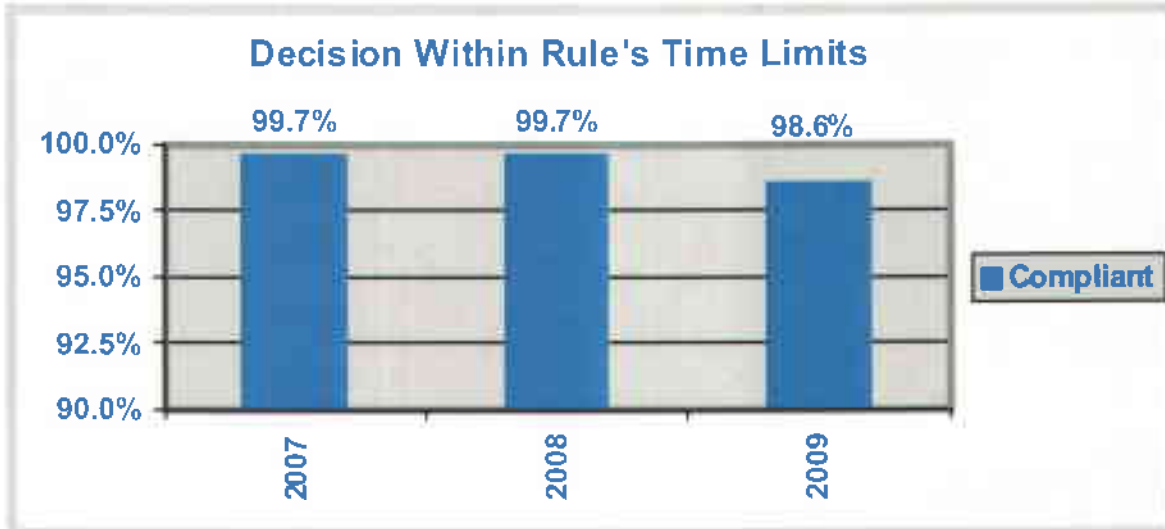


**E. Protests Resolved:**

	<u>Dec. '09</u>	<u>2009</u>
1. Protests decided:	272	3733
2. Withdrawals:	71	883
3. "No Evidence" Dismissals:	24	698



F. Final Decision Timeliness	<u>2008</u>	<u>Dec.</u>	<u>2009</u>
1. <30 days:	59.6%	36.7%	49.2%
2. 30-60 days:	26.2%	25.8%	29.3%
3. 60-90 days:	13.9%	31.6%	20.1%
4. +90 days:	0.3%	5.8%	1.4%



G. Time Standard Compliance	<u>2008</u>	<u>Dec.</u>	<u>2009</u>
	91.2%	86%	88.9%

Monday, January 04, 2010

### Time Standard Compliance

Report Dates: From 12/1/2009 thru 12/31/2009

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
APPLICATION THRESHOLD	1	1	100%	0	0%
BENEFIT OVERPAYMENT	3	3	100%	0	0%
COMPENSABILITY	41	37	90.2%	4	9.8%
OPBD	10	8	80%	2	20%
PPD	44	40	90.9%	4	9.1%
TRMT/EQUIP CL	32	25	78.1%	7	21.9%
TRMT/EQUIP EM	1	0	0%	1	100%
TTD	16	13	81.3%	3	18.8%
DEP BEN FATAL	1	0	0%	1	100%
OP NON-MED	1	1	100%	0	0%
PTD ONSET DATE	1	1	100%	0	0%
REOPENING	6	6	100%	0	0%
<b>Total</b>	<b>157</b>	<b>135</b>	<b>86%</b>	<b>22</b>	<b>14%</b>

### Final Decision Compliance

Report Dates: From 12/1/2009 thru 12/31/2009

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	73	24	32.9%	21	28.8%	26	35.6%	2	2.7%
DEP BEN FATAL	6	1	16.7%	2	33.3%	3	50.0%	0	0.0%
FAILURE TO ACT 15 DAY	3	1	33.3%	1	33.3%	1	33.3%	0	0.0%
OP NON-MED	3	2	66.7%	1	33.3%	0	0.0%	0	0.0%
OPBD	18	12	66.7%	4	22.2%	2	11.1%	0	0.0%
PTD ENTITLEMENT	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
TTD	23	9	39.1%	8	34.8%	2	8.7%	4	17.4%
APPLICATION THRESHOLD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
BENEFIT OVERPAYMENT	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
PPD	50	20	40.0%	6	12.0%	20	40.0%	4	8.0%
PTD ONSET DATE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
REOPENING	20	5	25.0%	6	30.0%	7	35.0%	2	10.0%
TRMT/EQUIP CL	74	25	33.8%	20	27.0%	25	33.8%	4	5.4%
TRMT/EQUIP EM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<b>Totals</b>	<b>275</b>	<b>101</b>	<b>36.7%</b>	<b>71</b>	<b>25.8%</b>	<b>87</b>	<b>31.6%</b>	<b>16</b>	<b>5.8%</b>

### Motion Resolution Compliance

Report Dates: From 12/1/2009 thru 12/31/2009

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	4	4	100%	0	0%
DEPENDENT BENEFIT TERMINATION	1	1	100%	0	0%
IEB DETERMINATION	14	12	85.7%	2	14.3%
PPD	190	185	97.4%	5	2.6%
TEMP	3	2	66.7%	1	33.3%
TTD	121	111	91.7%	10	8.3%
APPLICATION THRESHOLD	2	2	100%	0	0%
BENEFIT RATE	2	2	100%	0	0%
COMPENSABILITY	216	200	92.6%	16	7.4%
DEP BEN FATAL	24	24	100%	0	0%
OP NON-MED	18	17	94.4%	1	5.6%
OPBD	40	37	92.5%	3	7.5%
PTD ENTITLEMENT	10	9	90%	1	10%
REHABILITATION	1	1	100%	0	0%
REOPENING	76	70	92.1%	6	7.9%
TRMT/EQUIP CL	228	213	93.4%	15	6.6%
TRMT/EQUIP EM	1	1	100%	0	0%
<b>Total</b>	<b>951</b>	<b>891</b>	<b>93.7%</b>	<b>60</b>	<b>6.3%</b>

\* Action Date < Motion Date

\*\* Action Date > Motion Date

### Acknowledgement Goal

Report Dates: From 12/1/2009 thru 12/31/2009

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>BENEFIT OVERPAYMENT</b>	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBO - CL BEN OVERPAYMENT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
<b>BENEFIT RATE</b>	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CBR - CL PRSTS BEN RATE	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<b>COMPENSABILITY</b>	Total: 80	5	6.3%	9	11.3%	28	35.0%	38	47.5%
C8A - CL OIC REJECT CLAIM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CCS - CL SEC CONDITION	15	0	0.0%	0	0.0%	3	20.0%	12	80.0%
CHC - CL COMPENSABILITY	4	1	25.0%	1	25.0%	1	25.0%	1	25.0%
CIM - CL SI COMPENSABLE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
CIS - CL SI SEC CONDITION	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CPI - CL SI REJECT CLAIM	5	0	0.0%	0	0.0%	5	100.0%	0	0.0%
CPJ - CL REJECT CLAIM	42	2	4.8%	7	16.7%	12	28.6%	21	50.0%
CQR - CL SI REJ OCCDISEASE	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CRZ - CL REJ OCC DISEASE	9	2	22.2%	0	0.0%	5	55.6%	2	22.2%
<b>DEP BEN FATAL</b>	Total: 5	1	20.0%	1	20.0%	3	60.0%	0	0.0%
CDF - CL DENY/GRNT DTH BEN	4	1	25.0%	1	25.0%	2	50.0%	0	0.0%
CIF - CL SI DY/GNT DTH BEN	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<b>FAILURE TO ACT 15 DAY</b>	Total: 3	1	33.3%	2	66.7%	0	0.0%	0	0.0%
C01 - CL FTA INJ COMPENSAB	3	1	33.3%	2	66.7%	0	0.0%	0	0.0%
<b>FAILURE TO ACT 30 DAY</b>	Total: 1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
C7E - CL FTA CPLY OJ/BR/SC	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
<b>IEB DETERMINATION</b>	Total: 3	0	0.0%	1	33.3%	2	66.7%	0	0.0%
CEB - CL IEB DETERMINATION	3	0	0.0%	1	33.3%	2	66.7%	0	0.0%
<b>OP NON-MED</b>	Total: 2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CIR - CL SI NON-MED ORDER	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CNR - CL NON-MED ORDER	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>OPBD</b>	Total: 23	1	4.3%	3	13.0%	3	13.0%	16	69.6%
CAO - CL ADD BOARD FINDING	6	0	0.0%	0	0.0%	3	50.0%	3	50.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CBF - CL % BOARD FINDING	6	1	16.7%	1	16.7%	0	0.0%	4	66.7%
CSF - CL% SI BOARD FINDING	6	0	0.0%	0	0.0%	0	0.0%	6	100.0%
CSO - CL SI AD BRD FINDING	3	0	0.0%	1	33.3%	0	0.0%	2	66.7%
EAO - EM ADD BOARD FINDING	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
EBF - EM % BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>PPD</b>	Total: 118	4	3.4%	4	3.4%	28	23.7%	82	69.5%
CAA - CL ADDL % AWARD D/G	18	1	5.6%	0	0.0%	3	16.7%	14	77.8%
CAD - CL % AWARD DENY/GRNT	79	3	3.8%	4	5.1%	21	26.6%	51	64.6%
CIE - CL SI ADD% AWARD D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIG - CL SI %AWARD DNY/GNT	20	0	0.0%	0	0.0%	4	20.0%	16	80.0%
<b>PTD ENTITLEMENT</b>	Total: 3	2	66.7%	1	33.3%	0	0.0%	0	0.0%
CIT - CL SI DENY/GRANT PTD	3	2	66.7%	1	33.3%	0	0.0%	0	0.0%
<b>REOPENING</b>	Total: 27	4	14.8%	0	0.0%	6	22.2%	17	63.0%
CIQ - CL SI DY/GNT R/O PPD	4	0	0.0%	0	0.0%	2	50.0%	2	50.0%
CIY - CL SI DY/GNT R/O TTD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CIZ - CL SI D/G R/O TRTMT	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
CJV - CL DNY/GRNT R/O PPD	5	1	20.0%	0	0.0%	1	20.0%	3	60.0%
CRD - CL DENY/GRNT R/O TTD	13	2	15.4%	0	0.0%	2	15.4%	9	69.2%
CRO - CL DY/GRNT R/O TRTMT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>TRMT/EQUIP CL</b>	Total: 87	2	2.3%	1	1.1%	15	17.2%	69	79.3%
CBX - CL TRMT DENY	60	1	1.7%	1	1.7%	12	20.0%	46	76.7%
CSX - CL SI TRMT DENY	27	1	3.7%	0	0.0%	3	11.1%	23	85.2%
<b>TTD</b>	Total: 57	7	12.3%	3	5.3%	8	14.0%	39	68.4%
CCC - CL CLOSING THE CLAIM	46	7	15.2%	2	4.3%	5	10.9%	32	69.6%
CIC - CL SI CLSING THE CLM	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
CJS - CL TTD	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CPX - CL INITIAL TTD	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
CSG - CL SI INITIAL TTD	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
<b>Totals:</b>	<b>412</b>	<b>27</b>	<b>6.6%</b>	<b>26</b>	<b>6.3%</b>	<b>95</b>	<b>23.1%</b>	<b>264</b>	<b>64.1%</b>

Monday, January 04, 2010

### Resolution of Issues

Report Dates: Decision Date from 12/1/2009 thru 12/31/2009

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
DEP BEN FATAL	7	1	14.3	5	71.4	0	0	1	14.3	0	0	0	0	0	0	0	0
OPBD	29	2	6.9	14	48.3	1	3.4	11	37.9	1	3.4	0	0	0	0	0	0
TRMT/EQUIP CL	86	30	34.9	41	47.7	2	2.3	12	14	0	0	0	0	1	1.2	0	0
TRMT/EQUIP EM	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
APPLICATION THRESHOLD	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
TTD	39	11	28.2	10	25.6	5	12.8	10	25.6	1	2.6	2	5.1	0	0	0	0
PPD	87	20	23	29	33.3	9	10.3	23	26.4	1	1.1	5	5.7	0	0	0	0
BENEFIT OVERPAYMENT	4	1	25	0	0	1	25	2	50	0	0	0	0	0	0	0	0
OP NON-MED	11	0	0	2	18.2	0	0	8	72.7	1	9.1	0	0	0	0	0	0
COMPENSABILITY	90	34	37.8	33	36.7	2	2.2	10	11.1	4	4.4	7	7.8	0	0	0	0
REHABILITATION	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
REOPENING	32	5	15.6	14	43.8	4	12.5	6	18.8	1	3.1	2	6.3	0	0	0	0
BENEFIT RATE	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	2	0	0	1	50	0	0	1	50	0	0	0	0	0	0	0	0
PTD ONSET DATE	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>392</b>	<b>105</b>	<b>26.8</b>	<b>151</b>	<b>38.5</b>	<b>24</b>	<b>6.1</b>	<b>86</b>	<b>21.9</b>	<b>9</b>	<b>2.3</b>	<b>16</b>	<b>4.1</b>	<b>1</b>	<b>0.3</b>	<b>0</b>	<b>0</b>

## OOJ – Petition for Attorney Fees for Unreasonable Denial

<b>Petitions received 9/1/2005 through 12/31/2009</b>	<b>36</b>
Petitions denied on face:	14
Petitions denied by ALJ Decision:	14
Petitions granted:	4
Petitions withdrawn through settlement:	2
Petitions currently pending:	2

### Failure to Timely Act Process

#### Petitions filed 9/1/05 through 12/31/09

Filed:	<b>134</b>
Denied/dismissed:	52
Withdrawn:	9
Reports to OIC:	51
Pending	22

### Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
<b>2005</b>	13	13	14	25	16	9	9	19	11	10	16	4	<b>159</b>
<b>2006</b>	7	0	2	1	7	4	8	2	5	7	6	3	<b>52</b>
<b>2007</b>	12	4	5	5	1	12	9	4	5	5	4	2	<b>68</b>
<b>2008</b>	3	2	1	11	1	6	11	8	6	4	8	4	<b>65</b>
<b>2009</b>	5	6	5	4	10	14	10	6	12	4	5	9	<b>90</b>

Joe Manchin, III  
Governor

James D. Gray  
Chairman

W. Jack Stevens  
Member

Rita Hedrick-Helmick  
Member

## Workers' Compensation Board of Review

Offices located at 1207 Quarrier St, Charleston  
All communications should be addressed to the Board of Review  
at the address shown at the bottom of this page  
*an equal opportunity/affirmative action employer*

### MEMORANDUM

**To:** Jane L. Cline, Commissioner  
Charles Bayless, Chairman  
Dan Marshall  
Bill Dean  
Walter Pellish  
Honorable Carrie Webster, House Judiciary Chair  
Honorable Brooks McCabe  
Honorable Nancy Peoples Guthrie  
Senator Don Caruth

**From:** James D. Gray, Chairman

**Date:** January 4, 2010

**Re:** Workers' Compensation Board of Review Monthly Report

---

Attached, please find the Board of Review's December 2009 monthly report.

A number of changes have been made to the Board's reports. You will find a total of eight reports as opposed to the two reports you previously received. These reports include the following:

1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by Issue
8. Yearly Summary of Dispositions by Issue

Please do not hesitate to contact me in the event of any questions.

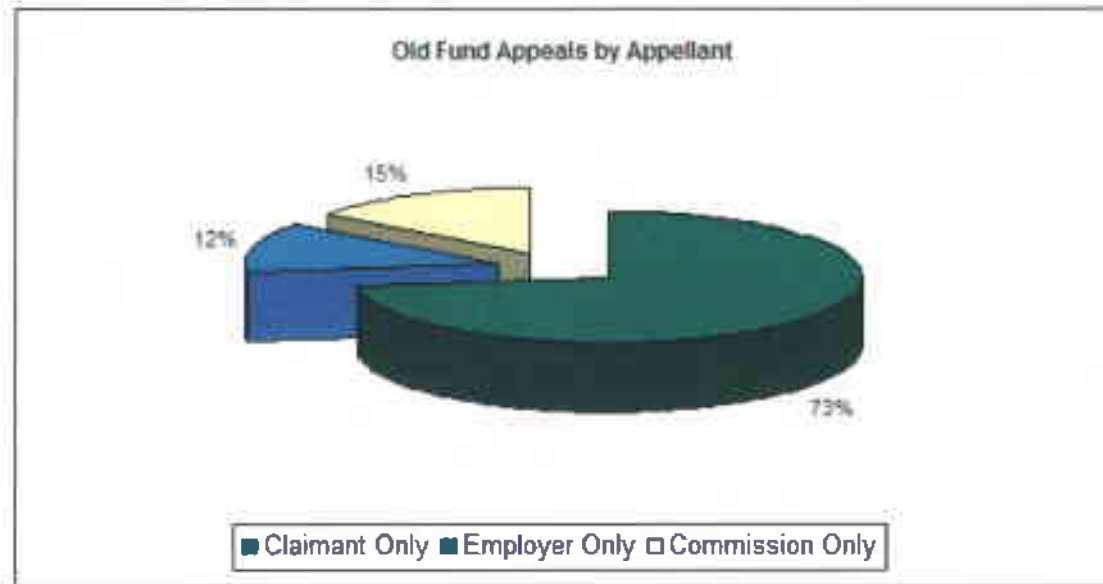


## APPEALS RECEIVED

From December 1, 2009 Thru December 31, 2009

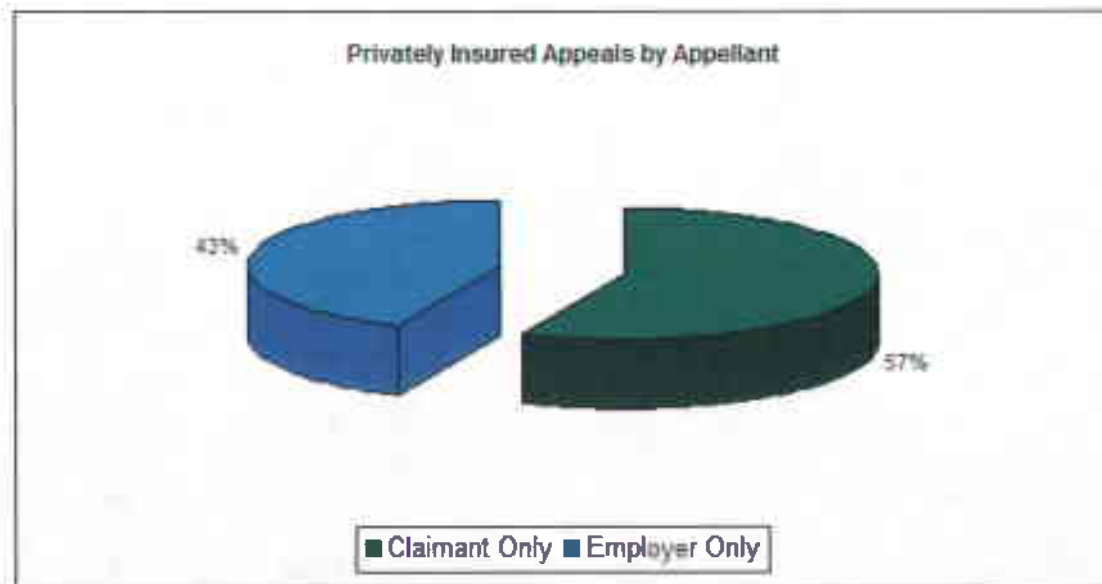
### Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	30
Employer Only	5
Commission Only	6
<b>Old Fund Total</b>	<b>41</b>



### Privately Insured Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	43
Employer Only	33
<b>Privately Insured Total</b>	<b>76</b>
<b>Total Appeals</b>	<b>117</b>



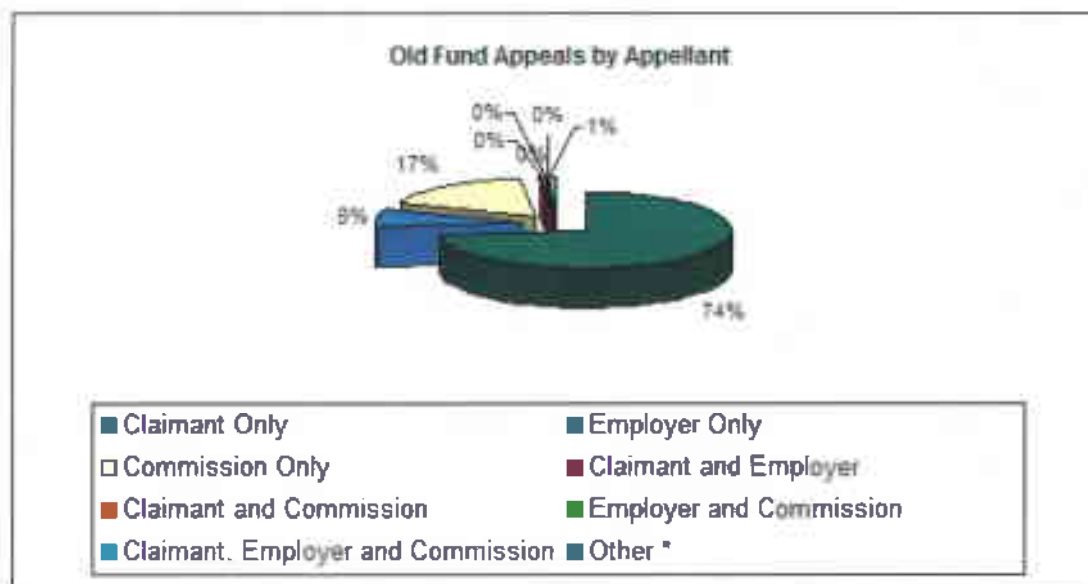
Appeals counted more than once:

## YEARLY APPEALS RECEIVED

### From June 1, 2008 Thru December 31, 2009

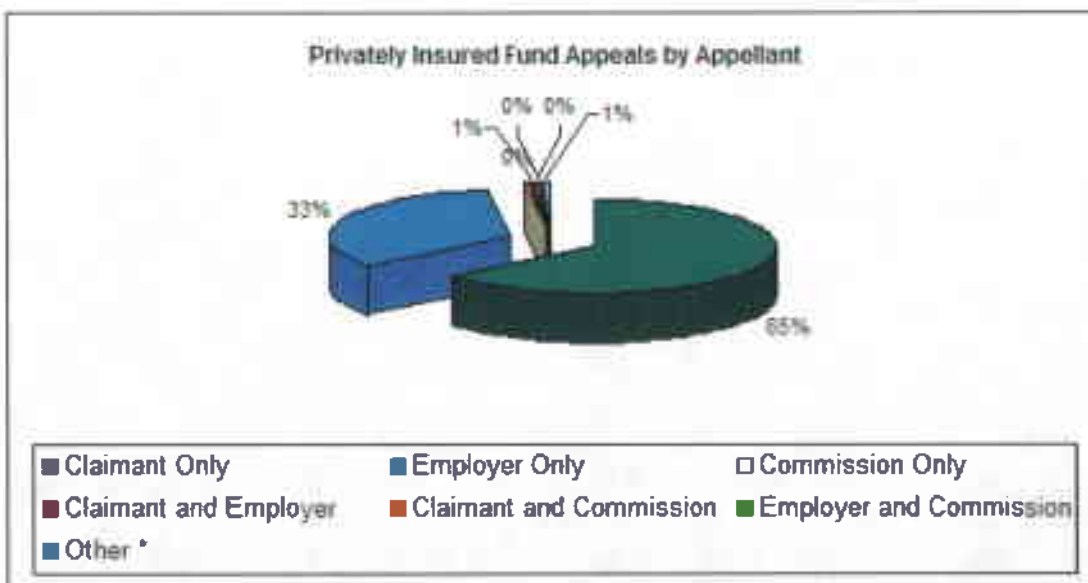
#### Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	955
Employer Only	110
Commission Only	226
Claimant and Employer	5
Claimant and Commission	5
Employer and Commission	1
Claimant, Employer and Commission	1
Other *	11
<b>Old Fund Total</b>	<b>1314</b>



#### Privately Insured Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	918
Employer Only	476
Commission Only	3
Claimant and Employer	11
Claimant and Commission	1
Employer and Commission	1
Other *	12
<b>Privately Insured Total</b>	<b>1422</b>
<b>Total Appeals</b>	<b>2736</b>

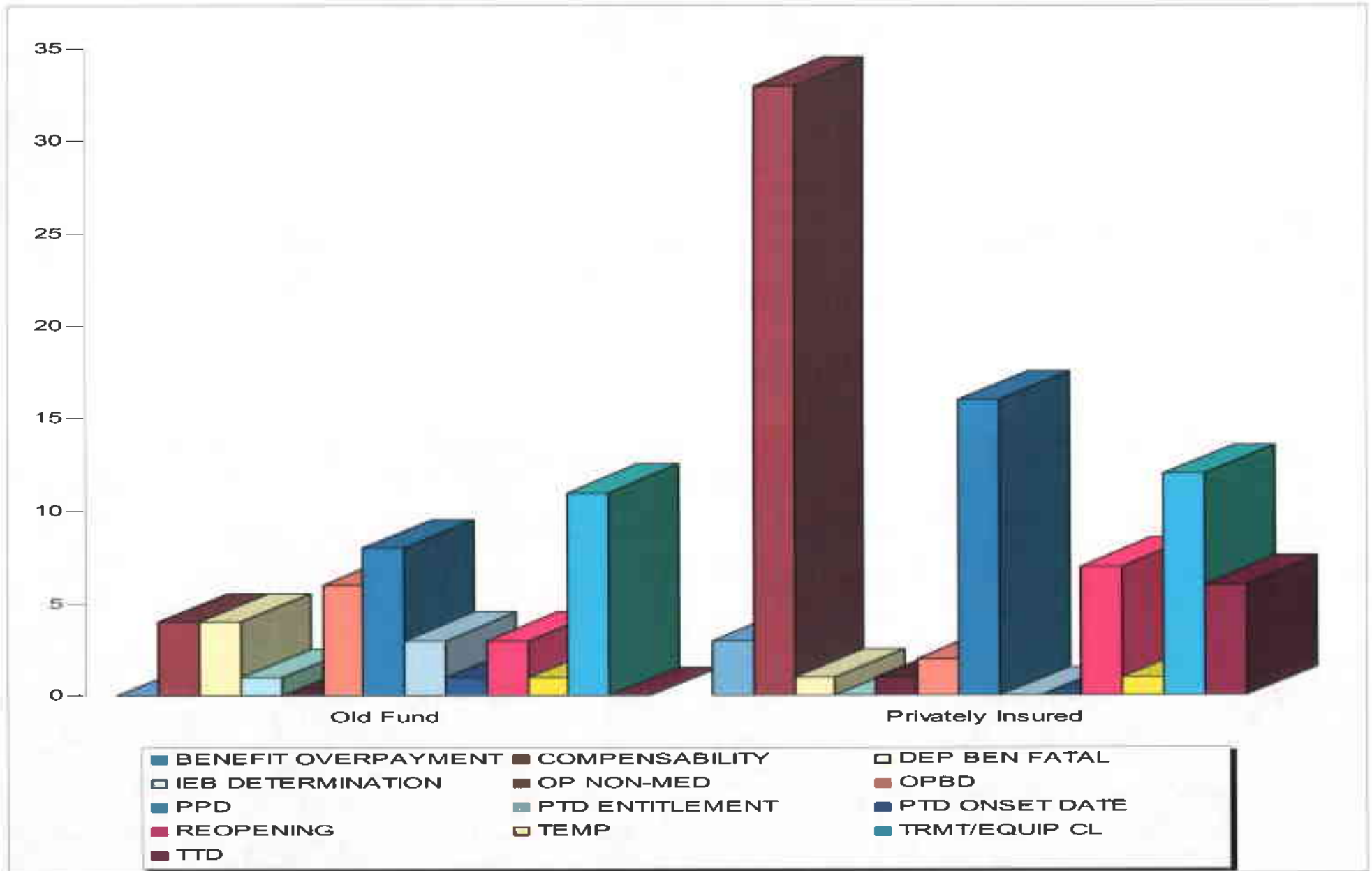


\* Appeals requiring research

Appeals counted more than once:

## APPEALS RECEIVED BY ISSUE

**Old Fund Appeals (DOI < July 1, 2005) vs Privately Insured Appeals (DOI > June 30, 2005)  
From December 1, 2009 Thru December 31, 2009**



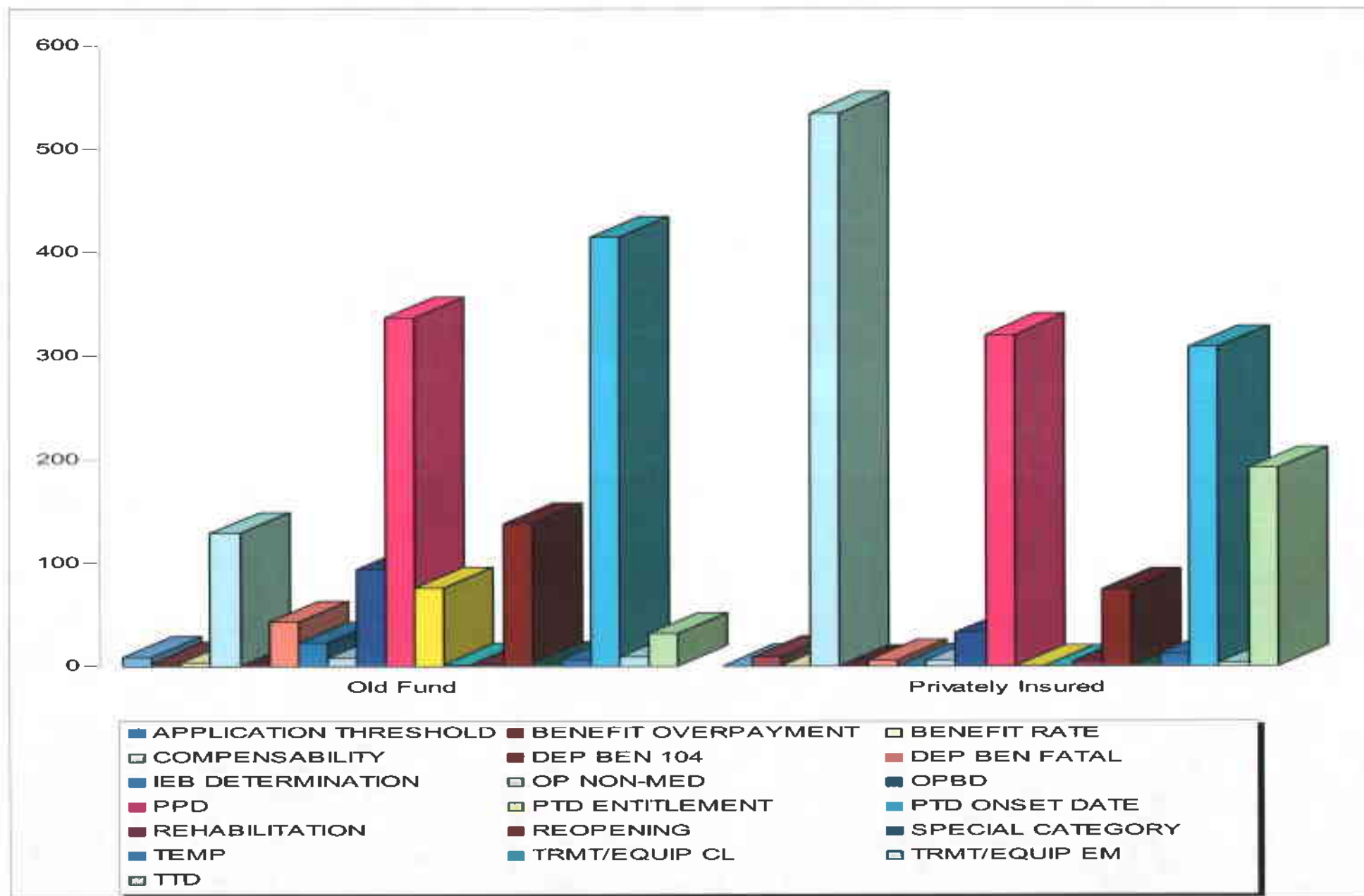
### APPEALS RECEIVED BY ISSUE

**Old Fund Appeals (DOI < July 1, 2005) vs Privately Insured Appeals (DOI > June 30, 2005)  
From December 1, 2009 Thru December 31, 2009**

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
BENEFIT OVERPAYMENT	3	0	0.0	3	100.0
COMPENSABILITY	37	4	10.8	33	89.2
DEP BEN FATAL	5	4	80.0	1	20.0
IEB DETERMINATION	1	1	100.0	0	0.0
OP NON-MED	1	0	0.0	1	100.0
OPBD	8	6	75.0	2	25.0
PPD	24	8	33.3	16	66.7
PTD ENTITLEMENT	3	3	100.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0
REOPENING	10	3	30.0	7	70.0
TEMP	2	1	50.0	1	50.0
TRMT/EQUIP CL	23	11	47.8	12	52.2
TTD	6	0	0.0	6	100.0
<b>Totals</b>	<b>124</b>	<b>42</b>	<b>33.9</b>	<b>82</b>	<b>66.1</b>

## YEARLY APPEALS RECEIVED BY ISSUE

**Old Fund Appeals (DOI < July 1, 2005) vs Privately Insured Appeals (DOI > June 30, 2005)  
From June 1, 2008 Thru December 31, 2009**

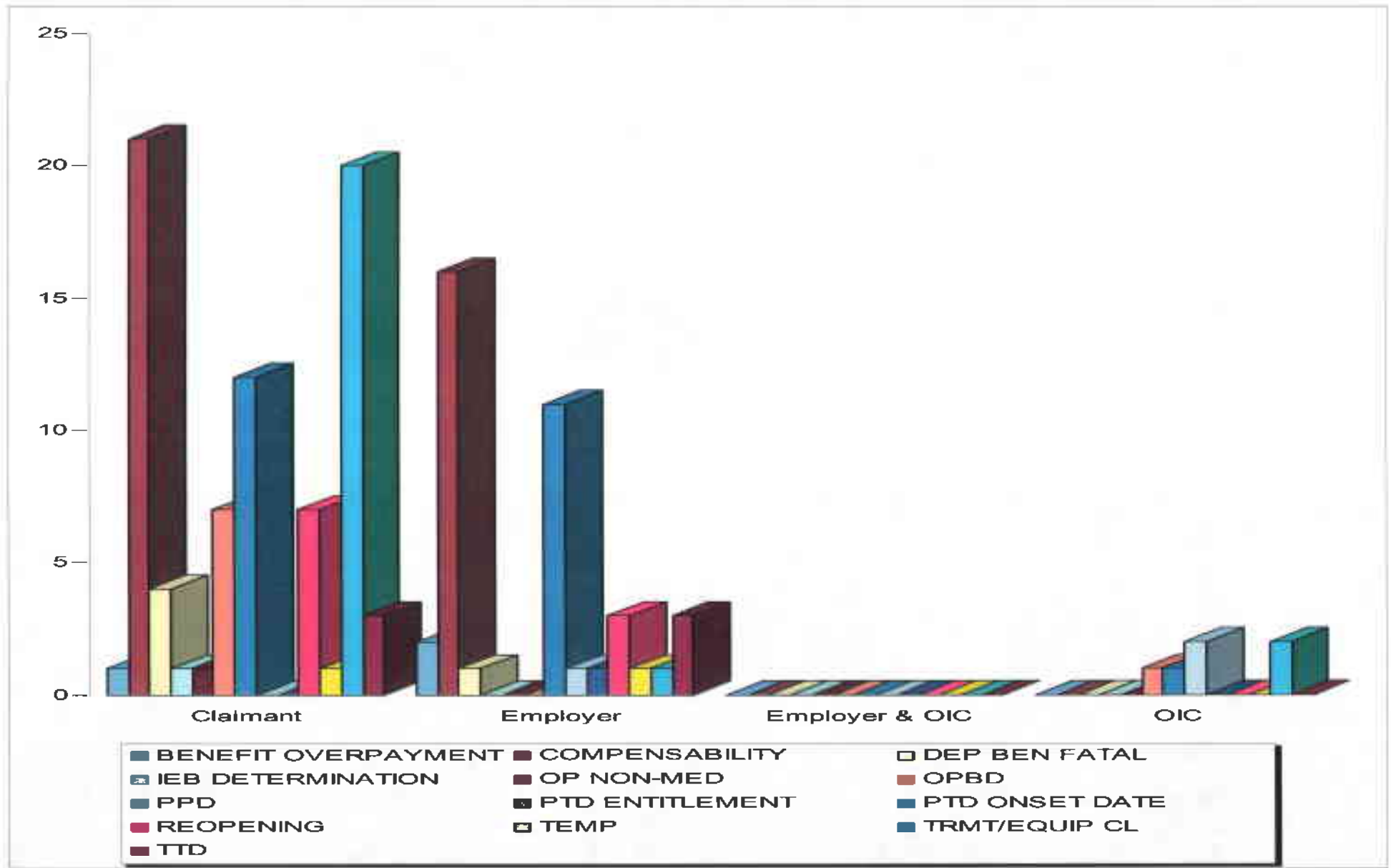


**YEARLY APPEALS RECEIVED BY ISSUE**  
**Old Fund Appeals (DOI < July 1, 2005) vs Privately Insured Appeals (DOI > June 30, 2005)**  
**From June 1, 2008 Thru December 31, 2009**

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	10	9	90.0	1	10.0
BENEFIT OVERPAYMENT	12	3	25.0	9	75.0
BENEFIT RATE	5	4	80.0	1	20.0
COMPENSABILITY	664	129	19.4	535	80.6
DEP BEN 104	1	1	100.0	0	0.0
DEP BEN FATAL	49	43	87.8	6	12.2
IEB DETERMINATION	24	23	95.8	1	4.2
OP NON-MED	14	8	57.1	6	42.9
OPBD	127	94	74.0	33	26.0
PPD	658	337	51.2	321	48.8
PTD ENTITLEMENT	76	76	100.0	0	0.0
PTD ONSET DATE	2	2	100.0	0	0.0
REHABILITATION	8	3	37.5	5	62.5
REOPENING	213	138	64.8	75	35.2
SPECIAL CATEGORY	4	4	100.0	0	0.0
TEMP	20	7	35.0	13	65.0
TRMT/EQUIP CL	724	415	57.3	309	42.7
TRMT/EQUIP EM	13	9	69.2	4	30.8
TTD	224	32	14.3	192	85.7
<b>Totals</b>	<b>2848</b>	<b>1337</b>	<b>46.9</b>	<b>1511</b>	<b>53.1</b>

## APPEALS RECEIVED BY ISSUE

From December 1, 2009 Thru December 31, 2009



**APPEALS RECEIVED BY ISSUE**  
**From December 1, 2009 Thru December 31, 2009**

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
BENEFIT									
OVERPAYMENT	3	1	33.3	2	66.7	0	0.0	0	0.0
COMPENSABILITY	37	21	56.8	16	43.2	0	0.0	0	0.0
DEP BEN FATAL	5	4	80.0	1	20.0	0	0.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0
OP NON-MED	1	1	100.0	0	0.0	0	0.0	0	0.0
OPBD	8	7	87.5	0	0.0	0	0.0	1	12.5
PPD	24	12	50.0	11	45.8	0	0.0	1	4.2
PTD ENTITLEMENT	3	0	0.0	1	33.3	0	0.0	2	66.7
PTD ONSET DATE	1	0	0.0	1	100.0	0	0.0	0	0.0
REOPENING	10	7	70.0	3	30.0	0	0.0	0	0.0
TEMP	2	1	50.0	1	50.0	0	0.0	0	0.0
TRMT/EQUIP CL	23	20	87.0	1	4.3	0	0.0	2	8.7
TTD	6	3	50.0	3	50.0	0	0.0	0	0.0
<b>Totals</b>	<b>124</b>	<b>78</b>	<b>62.9</b>	<b>40</b>	<b>32.3</b>	<b>0</b>	<b>0.0</b>	<b>6</b>	<b>4.8</b>

Appeals counted more than once:

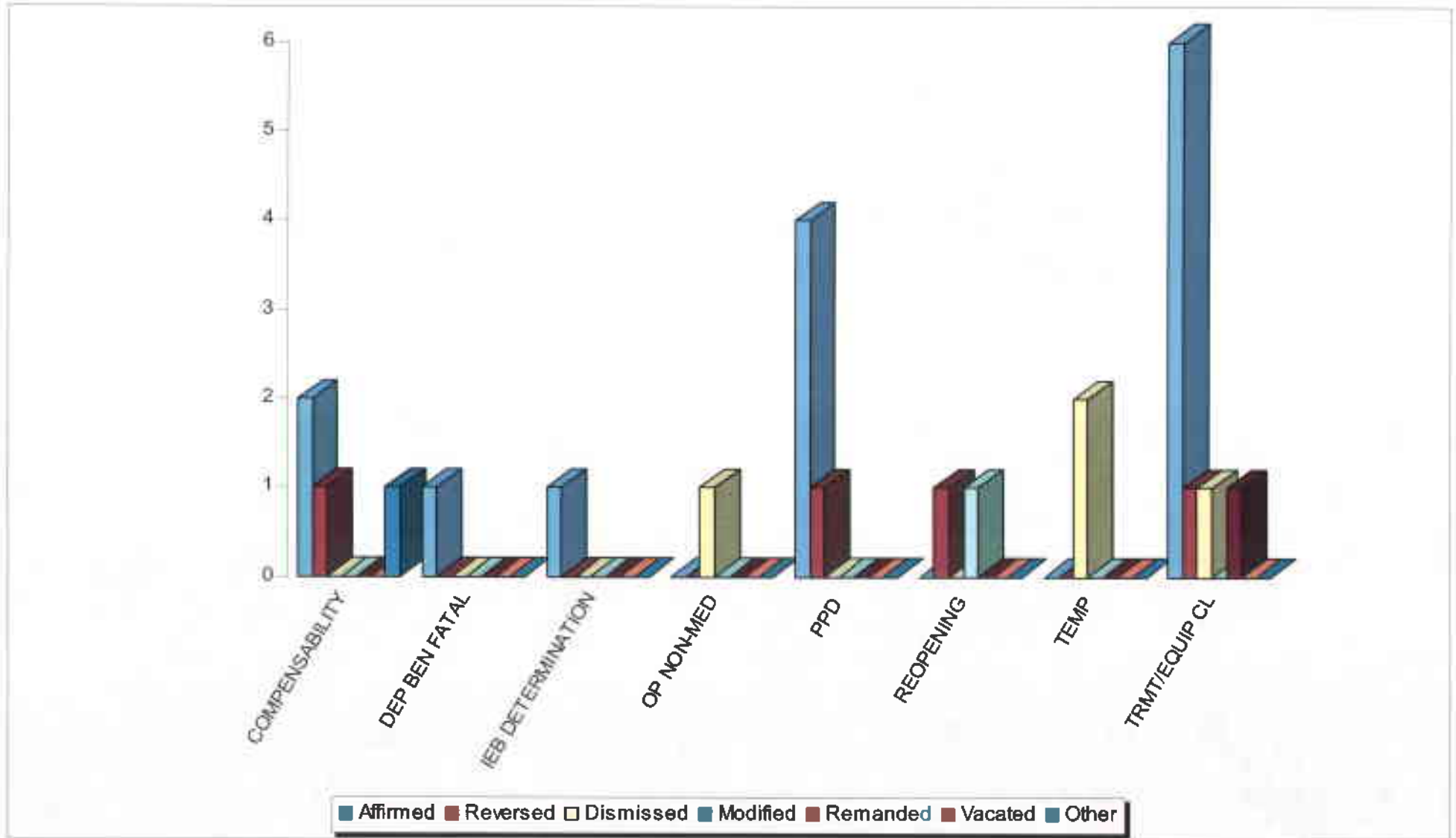


**WORKERS' COMPENSATION BOARD OF REVIEW  
FOR DECEMBER 2009**

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
<b>CLAIMANT</b>	AFFIRMED	10	71.4%	47.6%	982	89.5%	58.8%
	DISMISSED	1	7.1%	4.8%	5	0.5%	0.3%
	MODIFY	1	7.1%	4.8%	3	0.3%	0.2%
	MOOT				2	0.2%	0.1%
	REMAND	1	7.1%	4.8%	36	3.3%	2.2%
	REVERSE	1	7.1%	4.8%	68	6.2%	4.1%
	VACATE				1	0.1%	0.1%
	Total Dispositions	14			1097		
<b>CLAIMANT/EMPLOYER</b>	AFFIRMED				11	78.6%	0.7%
	DISMISSED				1	7.1%	0.1%
	REVERSE				2	14.3%	0.1%
	Total Dispositions				14		
<b>EMPLOYER</b>	ABEYANCE				1	0.3%	0.1%
	AFFIRMED	4	57.1%	19.0%	270	69.8%	16.2%
	DISMISSED				6	1.6%	0.4%
	MODIFY				3	0.8%	0.2%
	MOOT				1	0.3%	0.1%
	REMAND				6	1.6%	0.4%
	REVERSE	3	42.9%	14.3%	100	25.8%	6.0%
	Total Dispositions	7			387		
<b>DIVISION/OIC</b>	ABEYANCE				1	0.6%	0.1%
	AFFIRMED				90	52.6%	5.4%
	MODIFY				2	1.2%	0.1%
	REMAND				5	2.9%	0.3%
	REVERSE				72	42.1%	4.3%
	VACATE				1	0.6%	0.1%
	Total Dispositions				171		
<b>Grand Totals</b>		21			1669		

## DISPOSITIONS BY ISSUES

BOR Orders Mailed From December 1, 2009 Through December 31, 2009

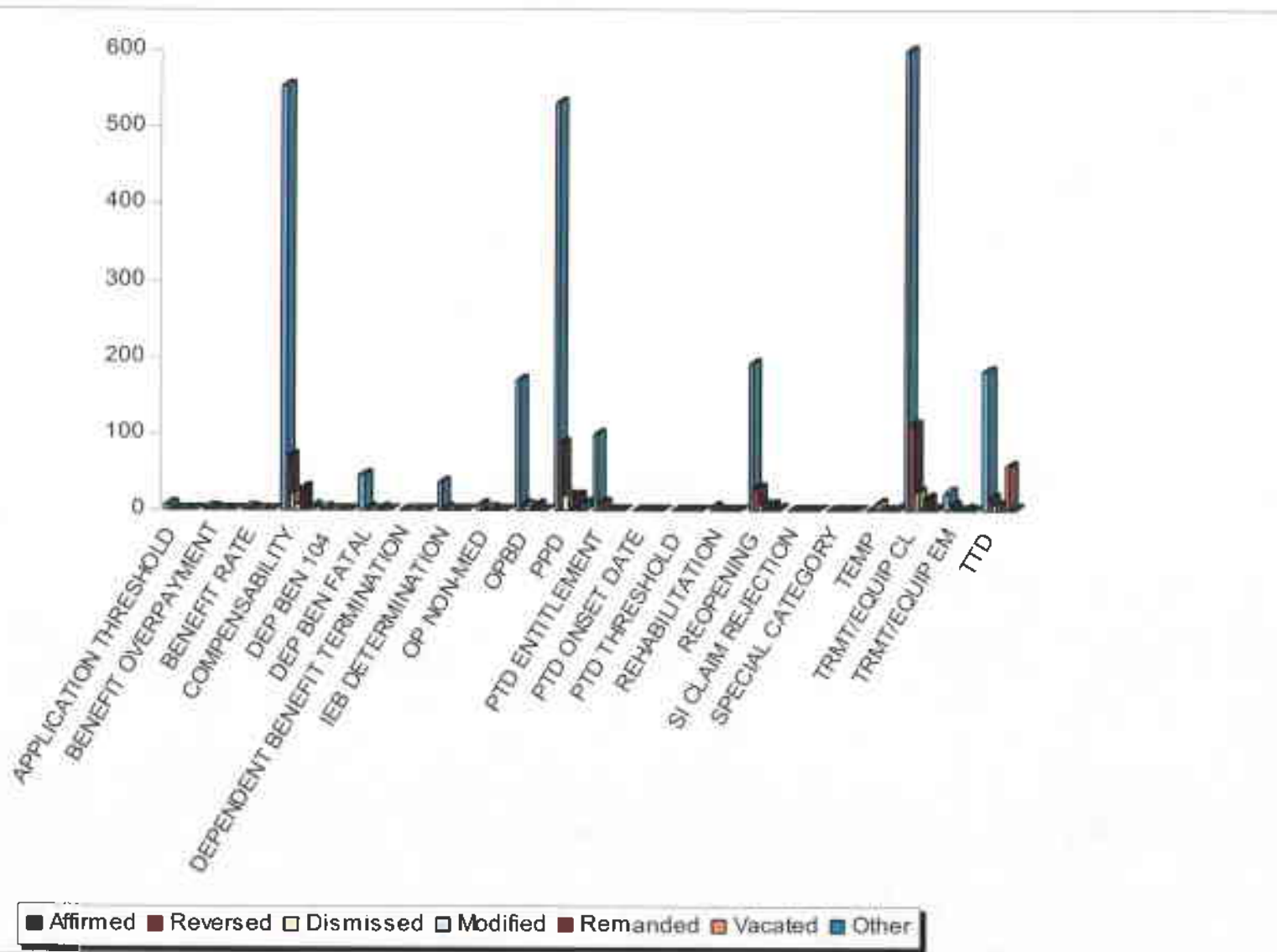


**DISPOSITIONS BY ISSUES**  
**BOR Orders Mailed From December 1, 2009 Through December 31, 2009**

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	4	2	50.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	1	25.0
DEP BEN FATAL	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	5	4	80.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	2	0	0.0	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0
TEMP	2	0	0.0	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	9	6	66.7	1	11.1	1	11.1	0	0.0	1	11.1	0	0.0	0	0.0
<b>Totals</b>	<b>25</b>	<b>14</b>	<b>56.0</b>	<b>4</b>	<b>16.0</b>	<b>4</b>	<b>16.0</b>	<b>1</b>	<b>4.0</b>	<b>1</b>	<b>4.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>4.0</b>

## YEARLY DISPOSITIONS BY ISSUES

BOR Orders Mailed From June 1, 2008 Thru December 31, 2009



**YEARLY DISPOSITIONS BY ISSUES**  
**BOR Orders Mailed From June 1, 2008 Thru December 31, 2009**

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	8	7	87.5	0	0.0	0	0.0	0	0.0	1	12.5	0	0.0	0	0.0
BENEFIT OVERPAYMENT	5	2	40.0	3	60.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
BENEFIT RATE	5	2	40.0	3	60.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	691	554	80.2	71	10.3	23	3.3	7	1.0	29	4.2	1	0.1	5	0.7
DEP BEN 104	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DEP BEN FATAL	53	47	88.7	3	5.7	1	1.9	0	0.0	2	3.8	0	0.0	0	0.0
DEPENDENT BENEFIT															
TERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	40	37	92.5	2	5.0	1	2.5	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	12	8	66.7	1	8.3	3	25.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	188	171	91.0	6	3.2	5	2.7	0	0.0	6	3.2	0	0.0	0	0.0
PPD	672	533	79.3	88	13.1	19	2.8	2	0.3	20	3.0	1	0.1	9	1.3
PTD ENTITLEMENT	110	99	90.0	10	9.1	0	0.0	0	0.0	1	0.9	0	0.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PTD THRESHOLD	2	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	240	193	80.4	28	11.7	8	3.3	3	1.3	6	2.5	0	0.0	2	0.8
SI CLAIM REJECTION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
SPECIAL CATEGORY	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	16	0	0.0	2	12.5	10	62.5	0	0.0	1	6.3	1	6.3	2	12.5
TRMT/EQUIP CL	757	599	79.1	111	14.7	25	3.3	0	0.0	17	2.2	0	0.0	3	0.4
TRMT/EQUIP EM	32	23	71.9	7	21.9	0	0.0	0	0.0	2	6.3	0	0.0	0	0.0
TTD	279	183	65.6	18	6.5	7	2.5	1	0.4	10	3.6	58	20.8	2	0.7
<b>Totals</b>	<b>3121</b>	<b>2468</b>	<b>79.1</b>	<b>355</b>	<b>11.4</b>	<b>103</b>	<b>3.3</b>	<b>13</b>	<b>0.4</b>	<b>95</b>	<b>3.0</b>	<b>61</b>	<b>2.0</b>	<b>23</b>	<b>0.7</b>

<b>Revenue Recovery Activity</b>	<b>November 2009</b>
<b>COLLECTION ACTIVITY</b>	
Receipts - Old Fund <small>(Employer out of business)</small>	\$ 6,319.62
Receipts - PC & NU <small>(Private Carrier Cancellation &amp; Rogue Employers)</small>	\$ 44,064.39
Receipts - Payment Agreements	\$ 25,388.93
Receipts - Collection Agency	\$ -
# of active accounts uninsured (cumulative)	1,078
\$ of active accounts uninsured (cumulative)	\$ 3,258,226.75
Telephone contacts	1,942
Walk-ins	16
<b>LIENS</b>	
Liens sent to county clerks for recordation	135
Liens sent to county clerks for release	41
Intent to lien letters sent to employer/owner/officer/member	51
<b>INJUNCTIONS</b>	
Affidavits for injunction submitted to legal	6
Hearings attended	4
# of injunction complaints filed	10
# of injunctions granted	2
# of agreed orders entered	7
<b>PAYMENT AGREEMENTS</b>	
# of repayment agreements applications	8
Agreements set up	8
Total # of agreements on system (cumulative)	111
Intent to void letters mailed	7
Agreements voided	3
<b>MISCELLANEOUS</b>	
Terminations Processed	159
Rule 11 Letters Mailed	282
Rule 11 hearings	1
<b>Uninsured Policies Resolved</b>	<b>251</b>
<b>All Cash Receipts from WC accounts</b>	<b>\$ 75,772.94</b>

## Health Information Technology Terms

<b>AHRQ</b>	Agency for Health Quality and Research.
<b>ANSI</b>	American National Standards Institute
<b>ARRA</b>	American Recovery & Reinvestment Act
<b>BTOP</b>	Broadband Technology Program
<b>BIP</b>	Broadband Initiatives Program
<b>CAHs</b>	Critical Access Hospitals
<b>CCD</b>	Continuity of Care Document
<b>CCHIT</b>	Certification Commission for Health Information Technology
<b>CPOE</b>	Computerized Physician Order Entry
<b>EHR</b>	Electronic Health Record
<b>EMR</b>	Electronic Medical Record
<b>HII</b>	Health Improvement Institute.
<b>HIMSS</b>	Health Information Management and Systems Society
<b>HL7</b>	Health Level 7 (accreditation standard for clinical and administrative data)
<b>HIT</b>	Health Information Technology
<b>HITECH Act</b>	Health Information Technology for Economic and Clinical Health Act
<b>HITSP</b>	Health Information Technology Standards Panel
<b>HIE</b>	Health Information Exchange
<b>HIN</b>	Health Information Network
<b>HIO</b>	Health Information Organization
<b>HISPC</b>	Health Information Security and Privacy Collaboration
<b>HRSA</b>	Health Resources and Services Administration
<b>IDN</b>	Integrated Delivery Network
<b>MITA</b>	Medicaid Information Technology Architecture
<b>NIST</b>	National Institute of Standards and Technology
<b>NHIN</b>	Nationwide Health Information Network
<b>ONC</b>	Office of the National Coordinator
<b>PHR</b>	Personal Health Record
<b>PMR</b>	Personal Medical Record
<b>PMS</b>	Practice Management System
<b>RHCPP</b>	Rural Health Care Pilot Program
<b>RHIO</b>	Regional Health Information Organization
<b>RHITEC</b>	Regional Health Information Technology Extension Center (also known as REC)
<b>RPMS</b>	Resource and Patient Management System
<b>SDEs</b>	State Designated Entities
<b>SHAP</b>	State Health Access Program
<b>SOA</b>	Service Oriented Architecture
<b>Vista</b>	Veteran's Health Information System and Technology Architecture
<b>WVTA</b>	West Virginia Telehealth Alliance
<b>WVHIN</b>	West Virginia Health Information Network
<b>WVMI</b>	West Virginia Medical Institute

**WEST VIRGINIA  
SECRETARY OF STATE  
NATALIE E. TENNANT  
ADMINISTRATIVE LAW DIVISION**

Form #7

Do Not Mark in This Box  
Filing Date

Effective Date

**NOTICE OF AN EMERGENCY RULE**

AGENCY: Governor's Office of Health Enhancement and Lifestyle Planning TITLE NUMBER: 210

CITE AUTHORITY: See facts and circumstances below.

EMERGENCY AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: 1

TITLE OF RULE BEING PROPOSED: Prescription Drug Advertising Expense Reporting

THE ABOVE RULE IS BEING FILED AS AN EMERGENCY RULE TO BECOME EFFECTIVE AFTER APPROVAL BY SECRETARY OF STATE OR 42ND DAY AFTER FILING, WHICHEVER OCCURS FIRST.

**THE FACTS AND CIRCUMSTANCES CONSTITUTING THE EMERGENCY ARE AS FOLLOWS:**

On August 26, 2009, W. Va. Code § 16-29H-1 et seq. became effective. Article 29H established the Governor's Office of Health Enhancement and Lifestyle Planning ("GOHELP") and transferred the rule-making authority previously granted to the West Virginia Pharmaceutical Cost Management Council to GOHELP. The subject Article further mandates GOHELP to promulgate a legislative rule requiring certain entities to annually report pharmaceutical advertising costs. Until August 26, 2009, pharmaceutical advertising reporting was governed by a rule promulgated by the Pharmaceutical Cost Management Council (206CSR1). That rule had a calendar year reporting period. With the repeal of W. Va. Code § 5A-3C-1 et seq., the Pharmaceutical Cost Management Council existence was terminated resulting in the rescission of its rules. To prevent having a period of time in which pharmaceutical advertising reporting is not required by the state, a rule must be filed on an emergency basis.

Use additional sheets if necessary

  
Authorized Signature



Governor's Office of Health Enhancement and Lifestyle Planning  
Emergency Rule  
Title 210, Series 1

Prescription Drug Advertising Expense Reporting  
TITLE 210, SERIES 1

**STATEMENT OF CIRCUMSTANCES**

On August 26, 2009, W.Va. Code § 16-29H-1 et seq. became effective. Article 29H established the Governor's Office of Health Enhancement and Lifestyle Planning ("GOHELP") and transferred the rule-making authority previously granted to the West Virginia Pharmaceutical Cost Management Council to GOHELP. The subject Article further mandates GOHELP to promulgate a legislative rule requiring certain entities to annually report pharmaceutical advertising costs. Until August 26, 2009, pharmaceutical advertising reporting was governed by a rule promulgated by the Pharmaceutical Cost Management Council (206CSR1). That rule had a calendar year reporting period. With the repeal of W. Va. Code § 5A-3C-1 et seq., the Pharmaceutical Cost Management Council existence was terminated resulting in the rescission of its rules. To prevent having a period of time in which pharmaceutical advertising reporting is not required by the state, a rule must be filed on an emergency basis. Reporting of drug advertising expenses allows the state to obtain an accurate view of the level and scope of drug advertising and marketing in West Virginia.

Prescription Drug Advertising Expense Reporting  
(Title 210, Series 1)  
EMERGENCY RULE

**QUESTIONNAIRE**

(Please include a copy of this form with each filing of your rule: Notice of Public Hearing or Comment Period, Proposed Rule, and if needed, Emergency and Modified Rule.)

**DATE:** September 22, 2009

**TO:** LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

**FROM:** GOVERNOR'S OFFICE OF HEALTH ENHANCEMENT AND LIFESTYLE  
PLANNING (GOHELP)  
1124 Smith Street, Room 105  
Charleston, West Virginia 26301

**EMERGENCY RULE TITLE:** Prescription Drug Advertising Expense Reporting  
(Title 210, Series 1)

1. **Date of Filing:**  
September, 22 2009
2. **Statutory authority for promulgating emergency rule:**  
See response to question 6.
3. **Date of filing of proposed legislative rule:**  
September 22, 2009
4. **Does the emergency rule adopt new language or does it amend or repeal a current legislative rule?**  
The emergency rule adopts new language.
5. **Has the same or similar emergency rule previously been filed and expired?**  
No.

APPENDIX B

***FISCAL NOTE FOR PROPOSED RULES***

Prescription Drug Advertising Expense Reporting

Rule Title: \_\_\_\_\_

Type of Rule:  Legislative  Interpretive  Procedural

Agency: Governor's Office of Health Enhancement and Lifestyle Planning

Address: 1124 Smith Street, Room 105  
Charleston, WV 25301

Phone Number: (304) 858 0078 Email: GOHELP@wv.gov

**Fiscal Note Summary**

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

This rule will have no fiscal impact on costs and revenues of state government.

**Fiscal Note Detail**

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

FISCAL YEAR			
Effect of Proposal	Current Increase/Decrease (use "+,-")	Next Increase/Decrease (use "+,-")	Fiscal Year (Upon Full Implementation)
<b>1. Estimated Total Cost</b>			
Personal Services			
Current Expenses			
Repairs & Alterations			
Assets			
Other			
<b>2. Estimated Total Revenues</b>			

Rule Title: \_\_\_\_\_

**TITLE 210  
EMERGENCY RULE  
GOVERNOR'S OFFICE OF HEALTH ENHANCEMENT AND LIFESTYLE  
PLANNING (GOHELP)**

**SERIES 1  
PRESCRIPTION DRUG ADVERTISING EXPENSE REPORTING**

**§210-1-1. General.**

1.1. Scope. -- This rule establishes advertising expense disclosure requirements for all manufacturers and labelers of prescription drugs dispensed in this state who employ, direct or utilize marketing representatives.

1.2. Authority. -- W. Va. Code §16-29H-8(a).

1.3. Filing Date. -- September 22, 2009

1.4. Effective Date. --

**§210-1-2. Definitions.**

2.1. "Aggregate" or "aggregate data" means information which does not disclose personally-identifiable information about specific prescribers or otherwise identify specific individuals or companies.

2.2. "Aggregate list" means the aggregate data included in the GOHELP annual report to the Joint Committee on Government and Finance.

2.3. "Bona-fide clinical trial" means a clinical trial approved by an institutional review board in compliance with the statutory and regulatory requirements of the federal Food and Drug Administration, including Title 21 of the United States Code, 21 C.F.R., Part 56 and 45 C.F.R. § 46.101, and conducted in connection with a research study the principle purpose of which is scientific research.

2.4. "GOHELP" means the Governor's Office of Health Enhancement and Lifestyle Planning established under the authority of W. Va. Code §16-29H-1 *et seq.*

2.5. "Direct-to-consumer advertising" or "DTC advertising" means advertising prescription drugs directly to residents of this state through radio, television, magazines, newspapers, direct mail or telephone communications.

3.2.c. Direct-to-consumer advertising which is directed at, received by or intended to be received by consumers in this state, the form of the advertising and the total amount expended for such advertising.

3.3. If the reporting entity represents a number of entities which file a federal income tax return as a consolidated group, the reporting entity shall attach to the disclosure form a copy of the organizational chart showing all members of the consolidated group and their interrelationship.

3.4. If the reporting entity does not maintain separate records of expenditures for advertising of prescription drugs within West Virginia, it may calculate the advertising expenditures directed at this state by:

3.4.a. Dividing the West Virginia population receiving the DTC advertising by the population of the nation or region for which the reporting entity does maintain records; and

3.4.b. Multiplying the quotient determined pursuant to subdivision a of this subsection by the total amount the reporting entity spent on advertising in the nation or the named region.

3.5. For the purposes of subsection 3.4 of this rule, the following applies:

3.5.a. The populations of this state and of the nation or region for which the reporting entity maintains records are to be determined by the most recent population data available from the United States Census Bureau.

3.5.b. The reporting entity must attach the calculations to the disclosure form contained in Appendix A.

3.6. The reporting entity shall file signed and verified originals of completed Appendix A forms with GOHELP.

#### **§210-1-4. Discretionary Disclosures.**

The reporting entity may, but is not required to, disclose:

4.1. Free samples of prescription drugs distributed to patients;

4.2. Payments of reasonable compensation and reimbursement of expenses in connection with a bona-fide clinical trial; and

4.3. Scholarships or other support for medical students, residents and fellows selected by a national, regional or specialty medical or other professional association to attend significant educational, scientific or policy-making conferences sponsored by such association.

3.2.c. List below the direct-to-consumer advertising which is directed at, received by or intended to be received by consumers in this state, the form of the advertising and the total amount expended for advertising.

Form of Advertising	Total Expenditure on Advertising

I certify upon information and belief that the information contained on this form is true, correct and complete.

Signature:	
Printed Name:	
Title:	
Date:	

Taken, sworn and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
 by \_\_\_\_\_.

Notary signature	
Commission expires	

Seal:

WEST VIRGINIA

# BOARD OF TREASURY INVESTMENTS

**CALENDAR NOTES**

CD Auction  
January 13, 2010

Quarterly Board Meeting  
January 26, 2010

## OPERATING REPORT NOVEMBER 2009

**Board of Treasury Investments**

1900 Kanawha Boulevard East  
Suite E-122  
Charleston WV 25305  
(304) 340-1578  
www.wvbt.com

**Board of Directors**

John D. Perdue,  
State Treasurer,  
Chairman

Joe Manchin III,  
Governor

Glen B. Gainer III,  
State Auditor

Martin Glasser,  
Esq. Attorney  
Appointed by  
the Governor

Jack Rossi, CPA  
Appointed by  
the Governor

**Executive Staff**

Executive Director  
Glenda Probst,  
CPA, CTP

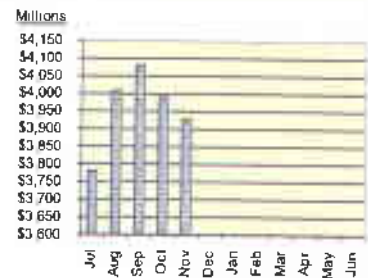
Chief Financial Officer  
Kara K. Brewer,  
CPA, MBA

### Total Net Assets Under Management

**\$3,926,896,000**

Last Month  
**\$3,986,544,000**

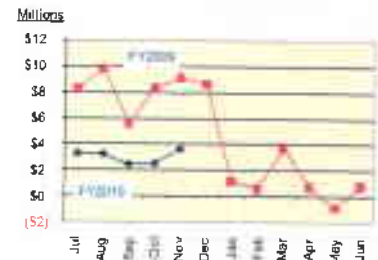
Beginning of Fiscal Year  
**\$3,663,992,000**



**7.2% Growth This Fiscal Year**

### Total Net Income & Gains

Fiscal Year  
**\$14,899,000**



**Fiscal Year Comparison**

### Money Market Pools

As of November 30, 2009

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1638%	.1586%	.0975%	55 Days	\$2.8 Billion
WV Gov't Money Market	.1331%	.1095%	.1082%	53 Days	\$284.9 Million

\* Yields represent the simple money market yield net of fees.

\*\* W.A.M. is the weighted average maturity.

# WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

## THE ECONOMIC STATE

### NOVEMBER 2009

---

#### **Markets Continue Rebound** *Unemployment Still a Concern*

While Washington remained bogged down with health care reform, the economy continued to show signs of recovering and the markets responded to that favorable news by continuing their rebound from historic lows set earlier this year.

Consumer confidence climbed in November, as the Conference Board reported that the Consumer Confidence Index increased to 49.5, up from last month's revised level of 48.7. Consumer confidence appears to have spilled over into their spending patterns as retail sales rose more than analysts' expectations, jumping 1.4% following last month's decline of 2.3%

The most significant problem facing the U.S. economy is the high rate of unemployment. While most economists expect the level to remain high throughout 2010, it fell unexpectedly from 10.2% to 10.0% in November and the average work week rose to 33.5 hours in November from a record low of 33 hours, both of which point to signs that we may be on the front edge of a recovery in the labor market.

With inflation tame and the housing market continuing to show signs of life as evidenced by the ninth consecutive month of increases in pending home sales, which rose 3.7% in October (data released in November), real GDP rose 2.8% in the third quarter, marking its fastest pace in two years. This pace appears to be carrying over into the 4th quarter.

The financial markets head into 2010 with a rather large degree of underlying skepticism related to the sustainability and longevity of the rally that started in March. The list of concerns has been well documented by the press: a still fragile financial system, sub-par economic growth, daunting trade and budget deficits, a venerable dollar, continuing wars in Iraq and Afghanistan, massive funding requirements for Medicare and Medicaid and the burden of health care reform and a probable rise in tax rates. Despite these uncertainties, so far in 2009, the markets have continued to pay them little attention and instead focus on the positive.

Interest rates fell across the yield curve in November. The most significant change was the decrease across the 3-7 year maturities, where yields were off by approximately 30 basis points. Further out the yield curve, the drop in rates was more modest with the 10-year note down 19 basis points and the 30-year bond down only 3 basis points, yielding 4.19% at month-end.

Spreads across the front end of the curve (2- and 10-years) had widened to 254 basis points, while the back end of the curve (10- and 30-years) was 15 basis points wider at 99 basis points.

The Barclays Capital Aggregate Index returned 1.29% during November with performance mixed within the spread sectors versus their same-duration Treasury securities. Relative performance was led by the MBS sector, as the Federal Reserve's Agency MBS debt purchase program continued to provide support. The credit sector underperformed Treasuries slightly during the month mainly as a result of significant supply, which was generally well received by the market.

The Merrill Lynch 3-Month T-Bill Index returned 0.01% in November trailing the 0.61% return of the Merrill Lynch 1-3 Year Government / Corporate A+ Index. Year-to-date, the 3-Month T-Bills returned 0.20% while the 1-3 Year Government / Corporate Index A+ returned 3.46%.



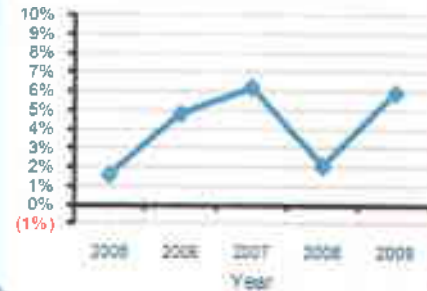
# West Virginia Board of Treasury Investments Financial Highlights as of November 30, 2009

## WV Short Term Bond Pool

### Rates of Return for the Past 12 Months *Net of All Fees*

December 1 - November 30	Return	Net Assets At Nov. 30 <i>(In Millions)</i>
2009	5.9%	\$ 350.4
2008	2.1%	\$ 314.6
2007	6.2%	\$ 238.2
2006	4.8%	\$ 274.9
2005	1.6%	\$ 261.7

**WV Short Term Bond Pool  
Rates of Return  
Past 12 Months  
December 1 - November 30**



*Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool*

## Summary of Value and Earnings *(In Thousands)*

Pool	Net Asset Value	Nov. Net Income <i>(Loss)</i>	Fiscal YTD Net Income <i>(Loss)</i>
WV Money Market	\$ 2,785,629	\$ 224	\$ 1,578
WV Gov't Money Market	284,850	25	130
WV Short Term Bond	350,385	1,925	8,529
WV Bank	115,110	37	277
Loss Amortization	187,094	979	2,987
Loans *	134,720	319	909
Reserve	46,833	37	193
Participant Accounts	22,275	75	296
	<u>\$ 3,926,896</u>	<u>\$ 3,621</u>	<u>\$ 14,899</u>

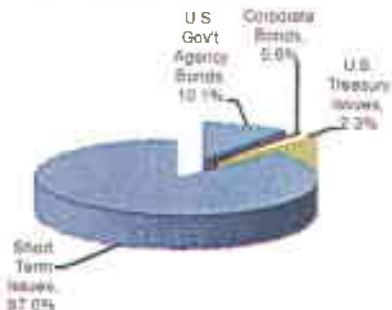
**Percent of Total Net Asset Value**



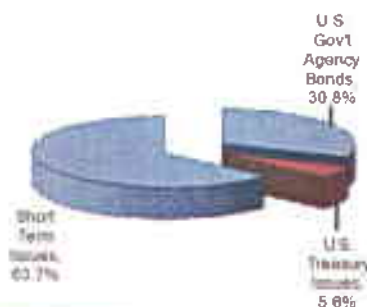
\* There have been \$700,000 in writedowns on venture capital loans in the Loan Pool this fiscal year

## Securities by Type for Operating Pools *(Percentage of Asset Value)*

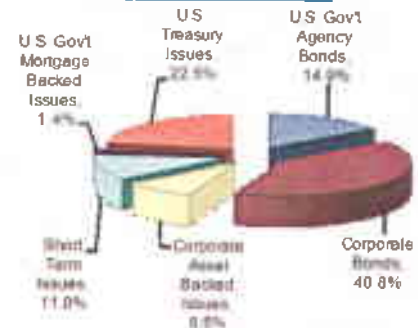
### WV Money Market



### WV Gov't Money Market



### WV Short Term Bond



## WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

### SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS – UNAUDITED

NOVEMBER 30, 2009

(IN THOUSANDS)

	WV					Participant Directed Accounts
	WV Money Market Pool	Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	
<b>Assets</b>						
<b>Investments:</b>						
At amortized cost	\$ 2,879,418	\$ 289,655		\$ 115,000	\$ 181,187	\$ 18,837
At fair value	-	-	\$ 349,088	-	187,094	3,341
Cash	-	-	-	-	-	-
Collateral for securities loaned	127,980	-	101,979	-	-	-
Other assets	1,433	169	2,022	110	371	97
<b>Total assets</b>	<u>3,008,831</u>	<u>289,824</u>	<u>453,089</u>	<u>115,110</u>	<u>368,652</u>	<u>22,275</u>
<b>Liabilities</b>						
Payable for securities loaned	127,980	-	101,979	-	-	-
Other liabilities	95,222	4,974	725	-	5	-
<b>Total liabilities</b>	<u>223,202</u>	<u>4,974</u>	<u>102,704</u>	<u>-</u>	<u>5</u>	<u>-</u>
<b>Net Assets</b>	<u>\$ 2,785,629</u>	<u>\$ 284,850</u>	<u>\$ 350,385</u>	<u>\$ 115,110</u>	<u>\$ 368,647</u>	<u>\$ 22,275</u>
<b>Investment Income</b>						
Interest and dividends	\$ 318	\$ 62	\$ 833	\$ 37	\$ 361	\$ 48
Securities lending income	-	-	-	-	-	-
Provision for securities lending loss	(158)	-	-	-	-	-
Net accretion (amortization)	224	(19)	(154)	-	573	(12)
Provision for uncollectible loans	-	-	-	-	-	-
<b>Total investment income</b>	<u>384</u>	<u>43</u>	<u>701</u>	<u>37</u>	<u>934</u>	<u>36</u>
<b>Expenses</b>						
Fees	162	18	39	-	5	-
Securities lending borrower rebates	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-
<b>Total expenses</b>	<u>162</u>	<u>18</u>	<u>39</u>	<u>-</u>	<u>5</u>	<u>-</u>
<b>Net investment income</b>	<u>222</u>	<u>25</u>	<u>662</u>	<u>37</u>	<u>929</u>	<u>36</u>
Net realized gain (loss) from investments	-	-	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	1,263	-	406	39
<b>Net gain (loss) from investments</b>	<u>-</u>	<u>-</u>	<u>1,263</u>	<u>-</u>	<u>406</u>	<u>39</u>
<b>Net increase (decrease) in net assets from operations</b>	<u>224</u>	<u>25</u>	<u>1,925</u>	<u>37</u>	<u>1,335</u>	<u>75</u>
<b>Distributions to participants</b>	322	31	663	37	356	-
<b>Participant activity</b>						
Purchases, reinvestment of units and contributions	694,909	21,562	10,958	37	651	167
Redemptions and withdrawals	757,937	31,460	45	-	335	365
Inter-pool transfers in	25,083	-	-	20,000	-	-
Inter-pool transfers out	20,000	-	-	25,083	-	-
<b>Net increase (decrease) in net assets from participant activity</b>	<u>(57,945)</u>	<u>(9,898)</u>	<u>10,913</u>	<u>(5,046)</u>	<u>316</u>	<u>(198)</u>
Increase (decrease) in net assets	(58,043)	(9,904)	12,175	(5,046)	1,295	(123)
Net assets at beginning of period	2,843,672	294,754	338,210	120,156	367,352	22,398
<b>Net assets at end of period</b>	<u>\$ 2,785,629</u>	<u>\$ 284,850</u>	<u>\$ 350,385</u>	<u>\$ 115,110</u>	<u>\$ 368,647</u>	<u>\$ 22,275</u>



JOE MANCHIN III  
GOVERNOR

STATE OF WEST VIRGINIA  
**DEPARTMENT OF ADMINISTRATION**  
**Purchasing Division**  
2019 WASHINGTON STREET, EAST  
P.O. BOX 50130  
CHARLESTON, WEST VIRGINIA 25305-0130

ROBERT W. FERGUSON, JR.  
CABINET SECRETARY

DAVID TINCHER  
DIRECTOR

January 7, 2010

**LEGISLATIVE**

The Honorable Earl Ray Tomblin  
President of the State Senate  
Room 227M, Building 1  
State Capitol Complex  
Charleston, WV 25305

JAN - 7 2010

**MANAGER**

The Honorable Rick Thompson  
Speaker of the House  
Room 234M, Building 1  
State Capitol Complex  
Charleston, WV 25305

SUBJECT: Legislative Reporting Requirement §5A-3-10(b)

Dear Sirs:

In accordance with *West Virginia Code* §5A-3-10(b), as director of the West Virginia Purchasing Division, I am required to submit in January and July of each year to the Joint Committee on Government and Finance a report summarizing our division's findings of any spending unit which awarded multiple contracts for the same or similar commodity or service to an individual vendor over any 12 month period with a value exceeding \$25,000.

This section of the Code reads:

**§5A-3-10. Competitive bids; publication of solicitations for sealed bids; purchase of products of nonprofit workshops; employee to assist in dealings with nonprofit workshops.**

*(b) The director shall solicit sealed bids for the purchase of commodities and printing which is estimated to exceed twenty-five thousand dollars. No spending unit shall issue a series of requisitions or divide or plan procurements to circumvent this twenty-five thousand dollar threshold or otherwise avoid the use of sealed bids. Any spending unit which awards multiple contracts for the same or similar*

Senator Tomblin and Delegate Thompson

January 7, 2010

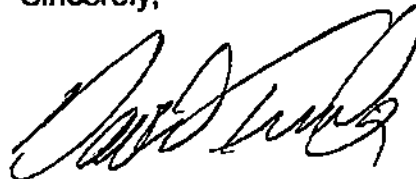
Page Two

*commodity or service to an individual vendor over any twelve-month period, the total value of which exceeds twenty-five thousand dollars, shall file copies of all contracts awarded to the vendor within the twelve preceding months with the director immediately upon exceeding the twenty-five thousand dollar limit, along with a statement explaining how the multiple contract awards do not circumvent the twenty-five thousand dollar threshold. If the spending unit does not immediately report to the director, the director may suspend the purchasing authority of the spending unit until the spending unit complies with the reporting requirement of this subsection. The director may conduct a review of any spending unit to ensure compliance with this subsection. Following a review, the director shall complete a report summarizing his or her findings and forward the report to the spending unit. In addition, the director shall report to the Joint Committee on Government and Finance on the first day of January and July of each year the spending units which have reported under this subsection and the findings of the director.*

For the period of July 1, 2009 through December 31, 2009, no spending units have reported to our division the award of any multiple contracts for "the same or similar commodity or service to an individual vendor over any 12-month period, the total value of which exceeds twenty-five thousand dollars." However, our division inspectors discovered findings relating to three (3) different spending units during their reviews as stipulated in this section of the Code. The spending units were Division of Corrections; the Department of Health and Human Resources – Bureau of Public Health, Office of Laboratory Services; and the Division of Natural Resources. A summary of the findings is attached.

Pursuant to this requirement, my next report will be submitted to you in July of 2010. Should you have any questions regarding this correspondence, please feel free to contact me at your convenience at (304) 558-2538 or via e-mail at [David.Tincher@wv.gov](mailto:David.Tincher@wv.gov).

Sincerely,



David Tincher, Director  
West Virginia Purchasing Division

DT:dmh

cc: ✓ Aaron Allred, Legislative Auditor  
Robert W. Ferguson, Jr., Cabinet Secretary of Administration

Attachment

**SUMMARY OF STRINGING ACTIVITIES**  
**(July 1, 2009 – December 31, 2009)**

**STRINGING ACTIVITY RESULTING FROM PURCHASING INSPECTIONS**

**Division of Corrections**

- 1) The Mount Olive Correctional Complex, during the fiscal year under review, spent a total of \$36,381.10 with Bob Barker Company for various items (\$25,900.05 of this amount was for items of clothing). In their response to the inspection report, the Correctional Center stated that:

*MOCC business office typically obtains bids and Bob Barker has consistently been the low bidder. . . .we were not aware of the \$25,000 aggregate. . . .MOCC business office is now tracking how much we spend with vendors on an aggregate basis.*

- 2) Anthony Correctional Center, during the fiscal year under review, spent a total of \$25,303.85 with Staunton Fruit & Produce. The Correctional Center responded:

*. . . we can only conclude that each week we get or receive three (3) written bids from local vendors that can deliver in our area and the lowest bid is awarded to that Vendor . We had never gone over \$25,000 in one fiscal year and had not thought about putting out bids on an open-end contract.*

- 3) Beckley Correctional Center, during the fiscal year under review, spent a total of \$32,801.74 with Peerless Meat Distributing for food. Responding to the inspection report, the Correctional Center stated:

*This issue has been corrected we no longer use this vendor [sic].*

- 4) Huttonsville Correctional Center, during the fiscal year under review, spent a total of \$60,977.12 with Bob Barker Company for various items. No documents were found to show that the items had been bid, nor did the file contain justification for a non-competitive award. Responding to the inspection report, the Correctional Center wrote:

*We in no way meant to circumvent the bidding process or to be non compliant with the Purchasing Rules and Procedures. We now have in place a report that we can run on a daily basis that will help us to oversee the spending amounts with all vendors. We have taken proper steps to correct this problem and will continue to be mindful of this issue with any other vendor that we utilize.*

**Department of Health and Human Resources - Bureau for Public Health, Office of Laboratory Services**

- 1) The agency, during the fiscal year under review, spent a total of \$71,019.70 with Fisher Scientific for laboratory supplies. No documents were found to show that the items had been bid, nor did the file contain justification for a non-competitive award.
- 2) The agency, during the fiscal year under review, spent a total of \$52,406.27 with VWR International, Inc. for various items. No documents were found to show that the items had been bid, nor did the file contain justification for a non-competitive award.
- 3) The agency, during the fiscal year under review, bid and awarded two projects: 1) removal and installation of a sidewalk, bid in July 2007 and 2) removal and installation of a driveway, bid in August 2007. Each project was bid and awarded for less than the formal bid limit of \$25,000; however, the two projects are physically contiguous, used the same type of concrete and method of construction, were awarded within a short time period and totaled \$48,099.

The agency, responding to all reported findings of stringing, stated:

*The Office will be more diligent in anticipating awards of multiple contracts for the same or similar commodity or service to an individual vendor over any twelve month period that exceed stated thresholds. We will investigate issuing more open-end contracts for these types of commodities or services.*

**Division of Natural Resources**

- 1) Blackwater Falls State Park, during the fiscal year under review, spent a total of \$93,421.74 with Suburban Propane for propane. No documents were found to show that the services had been bid, nor did the file contain justification for a non-competitive award. The Park responded that:

*. . . Agency was unaware that propane usage was not a utility purchase or we certainly would not have treated it as such and have no desire to continue doing so.*

- 2) Pipestem Resort State Park, during the fiscal year under review, spent a total of \$26,774.53 with American Hotel Register for various hotel supplies. No documents were found to show that the items had been bid, nor did the file contain justification for a non-competitive award. Responding to the inspection report, the Park wrote:

*American Hotel is a vendor that sells many different types of items for the resort industry. With the size of our facility there are a number of different things that will be ordered in a fiscal year time frame. I don't feel we have been stringing, as in many instances, we purchase a number of different items for different projects and departments at various times.*

*The linen purchases are currently being addressed by DNR with development of a contract that will provide us with "Resort" quality. This will be comparable to other lodging facilities. It should also help with not using this company so frequently.*

**STRINGING ACTIVITY RESULTING FROM AGENCY REPORTING TO PURCHASING**

None

(President Tomblin presides)

**AGENDA**  
**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
**January 12, 2010**

**3:00 - 4:00 p.m.**

**Senate Finance Room**

1. **Approval of December 9, 2009, minutes**
2. **Committee Reports:**

The following committees submitted interim reports for 2009: *(Need motion to accept reports)*

**Agriculture and Agri-business Committee** (Senator White and Delegate Argento, Chairs)  
**Joint Commission on Economic Development** (Senator Browning and Delegate Kominar, Chairs)  
**Equal Pay Commission** (Senator Palumbo and Delegate Mahan, Chairs)  
**Joint Standing Committee on Finance** (Senator Helmick and Delegate White, Chairs)  
**Finance Subcommittee C** (Senator McCabe and Delegate Kominar, Chairs)  
**Forest Management Review Commission** (Senator Helmick and Delegate Michael, Chairs)  
**Commission on Interstate Cooperation** (Senator Jenkins and Delegate Doyle, Chairs)  
**Parks, Recreation and Natural Resources Subcommittee** (Senator Fanning and Delegate Eldridge, Chairs)  
**Joint Standing Committee on Pensions and Retirement** (Senator Foster and Delegate Spencer, Chairs)  
**Select Committee on Infrastructure** (Senator Unger and Delegate Martin, Chairs)  
**Select Committee on PEIA, Seniors and Long Term Care** (Senator Unger and Delegate Williams, Chairs)  
**Select Committee on Veterans' Issues** (Senator Wells and Delegate Fleischauer, Chairs)  
**Legislative Oversight Commission on Workforce Investment for Economic Development** (Senator McCabe and Delegate Kominar, Chairs)

3. **Monthly/Quarterly Reports Distribution:**

Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund, and General Revenue Fund

4. **Monthly/Quarterly Reports Distribution: Robert Ferguson, Cabinet Secretary**

PEIA  
BRIM  
CHIP  
Real Estate Report

5. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources: Patsy Hardy, Cabinet Secretary**

Medicaid Report



6. **Investment Management Board Distribution: *Craig Slaughter***
7. **Workers' Compensation: *Bill Kenny, Deputy Insurance Commissioner***
8. **GOHELP: *Martha Walker, Acting Director***
9. **Board of Treasury Report Distribution**
10. **Department of Administration Distribution**
11. **Other Business**
12. **Adjournment**

**PARKS, RECREATION AND NATURAL  
RESOURCES INTERIM SUBCOMMITTEE**

**Annual Report to the Joint Committee on  
Government and Finance  
2009 - 2010**

**January 12, 2010**

In the 2009 - 2010 interim year, the Parks, Recreation and Natural Resources Subcommittee continued its oversight role of the West Virginia state park system and was also actively involved in other wildlife resources and outdoor recreation issues of importance to the State.

### **Parks Related Issues**

The West Virginia state park system continues to be one of the most operationally self-sufficient in the nation, even though it is one of the few systems in the nation not charging entry fees. The Fiscal Year 2009 operational self-sufficiency figure was 60 percent, which compares with 60 percent in FY 2008 and 59 percent in FY 2007. These figures have held constant despite significant increases in park system operating expenses from gasoline, utilities and minimum wage changes. These increased expenses were offset by record total revenues for the state park system in FY 2009, with revenues totaling \$21,969,929. These increased revenues were to some extent driven by the poor economy in which many people opted to stay closer to home to vacation and sought less expensive recreational opportunities provided by state parks.

Parks issues of interest to the Subcommittee in 2009 - 2010 and speakers who appeared before the Subcommittee to address these issues included:

- *Sam England, Superintendent at Stonewall Resort State Park*, who discussed the controlled white-tail deer hunt held last year at Stonewall Resort State Park. Legislation passed in 2006 permitted this hunt, which was the first to take place in an open state park in half a century. The hunt was organized in an effort to decrease the resort's significant deer over-population.

- *Scott Durham, Superintendent of Twin Falls Resort State Park*, who discussed progress on a major lodge expansion project at Twin Falls Resort State Park. The lodge expansion project will add 27 rooms to the 20 that currently exist, and add other amenities such as an indoor pool and interior courtyard. The project is scheduled to be finished in spring 2010.

- *Bob Beanblossom, West Virginia State Parks District Administrator*, who discussed his part-time role as a public information officer with the National Forest Service's Incident Management Teams, which are primarily dispatched to fight wildfires, but also serve in other crisis situations such as major hurricanes and other disasters.

### **Wildlife Resources Related Issues**

In the 2009 - 2010 interim year, the Subcommittee also continued its oversight role of outdoor recreation activities managed by the Wildlife Resources Section. Wildlife Resources issues of interest in 2009 - 2010 and speakers who appeared before the Subcommittee included:

- *Paul Johansen, Assistant Chief for Game Management, Wildlife Resources Section*, who discussed the results of the Fall 2009 big game hunting season. Preliminary data collected from game checking stations across the state indicated deer hunters in West Virginia harvested 62,491 bucks during the two-week buck firearms season, which ran from Nov. 23 through Dec. 5. The 2009 buck harvest was 7 percent less than the 2008 harvest of 67,365, primarily as a result of a decline in the buck harvest in DNR Districts 1 and 2, which encompass the northern and northeastern counties of the state.

- *Chris Ryan, Game Management Supervisor, Wildlife Resources Section*, who discussed recent developments in the Black Bear Monitoring and Research Project, which includes the study of bear population dynamics and their home range data, along with hunter and resident's surveys. This information is analyzed and used in the development of black bear management plans for the counties in the state.

#### **Law Enforcement Related Issues**

West Virginia DNR and other law enforcement related issues of interest in 2009 - 2010, and speakers who appeared before the Subcommittee included:

- *Tim Colman, Hunting and Boating Education Coordinator, DNR Law Enforcement Section*, who discussed recreational boating safety and the role of law enforcement in trying to reduce West Virginia's high boating accident and fatality rates.

- *Lt. Colonel Jason Smallfield, Deputy Commander, Huntington District, U.S. Army Corps of Engineers*, who discussed the recently implemented total ban on alcohol use at Sutton Lake which angered some local residents as unnecessarily broad. The ban was instituted by the Huntington District Commander after a recommendation from the Resource Manager at Sutton Lake.

#### **State Parks and other DNR sites visited by the Subcommittee in 2009**

In furtherance of its traditional oversight role, the Subcommittee has made a substantial commitment to visit state park sites, as well as other sites managed by the Division of Natural Resources. This year the Subcommittee conducted on-site visitations to Babcock State Park, Bluestone State Park, Camp Creek State Park, Carnifex Ferry Battlefield State Park, Cedar Creek State Park, Hawks Nest Resort State Park, Holly River State Park, Pinnacle Rock State Park, Pipestem Resort State Park and Stonewall Resort State Park. Summaries of these visitations are as follows:

# **SUMMARY OF OPERATIONS**

## **Stonewall Jackson Lake State Park**

### **Background Information**

Stonewall Resort State Park is located on the 2,650 acre Stonewall Jackson Lake, created in the mid 1980's with the construction by the U.S. Army Corps of Engineers of a dam across the West Fork River. The lake stretches for 26 miles and includes 82 miles of shoreline. The park includes 1,833 acres of land and is adjacent to an 18,000 acre Wildlife Management Area.

The park was operated by the State Parks Section from its opening in 1991 until 2002. During that time, the popularity of the park grew significantly. Facilities included the multipurpose building, a 34 site deluxe campground, West Virginia's largest and most complete marina, fishing and pontoon boat rentals, and luxury houseboat rentals.

In 1998, the State of West Virginia entered into a contract with McCabe Henley of Charleston WV to develop the park into a major resort destination. To date, and including a completion loan of between \$4 and \$5 million from the WVEDA, the state has invested some \$22 million dollars in the project in addition to the value of the original infrastructure. Private bond buyers provided another \$42 million. In addition to providing a major recreational opportunity for our state, this investment has provided employment opportunities for area citizens and an economic boost to north central West Virginia. It is also important to note that the development offset a \$34 million indebtedness to the U.S. Army Corps of Engineers for the state's portion of the cost of the original park construction.

Construction on the new resort facilities began in 1999 with most improvements operational by 2002. Benchmark Hospitality of Woodlands Texas was hired by McCabe Henley for park and resort operations. Benchmark operated the golf course and cottages upon their completion and assumed management of the entire park in February 2002. The lodge opened in October 2002.

### **Business Management Issues and Trends**

Since the park's opening it has gained in popularity and guest satisfaction, becoming one of the most popular State Parks in West Virginia. Before the assumption of management by McCabe Henley, park revenues had increased to over \$600,000 annually and the park had become third in self sufficiency among all state parks and forests. Campground occupancy was almost 100% from April through October and the houseboats were occupied to capacity from May to September.

The park continues to be popular and Benchmark Hospitality, the resort operator, provides a high level of guest satisfaction. Annually since opening, the resort has received the prestigious 4 Diamond Award from the American Automobile Association. The Palmer Golf Course has received numerous awards such as being ranked #22 nationally as "Best Resort Golf Courses" by Golf Week Magazine and Golf Digest ranked the course in the top 100 of all public courses nationally and the #1 public course in West Virginia.

Unfortunately however, project revenues continue to be insufficient to cover bond debt repayment and the project is in technical default. Financial trends have leveled over the last 3 years creating a challenge for resort operators. Sales and Marketing staff diligently work seeking business with both conferences and vacationers

### **Current/Recent Projects and Improvements**

The park recently received three significant matching fund grants for trails and pedestrian infrastructure.

- A Transportation Enhancement Grant totaling \$448,400 was awarded to construct a boardwalk and bridge structure to connect the lodge area with the day use/campground area. The bridge will span two coves of the lake and extend nearly 900 feet overall. Expressions of interest have been received and an engineering firm has been selected for design and engineering. We feel the structure will become a signature mark for the resort and will be add significantly to the safety and outdoors experience to our guests. It will provide handicapped accessible fishing opportunities along the entire length. We hope to have the bridge complete by the end of the year.
- A Recreational Trails Grant totaling \$83,200 was awarded for the construction of over 4 miles of trails, trailhead signage, improvements to existing trails and an interpretive map and trails guide. Specifications for trails construction have been submitted for approval to DNR Procurement.
- A second Transportation Enhancement Grant totaling \$271,020 was awarded to construct a pedestrian and bicycle pathway from the cottage area, past the lodge and to the day use area. We are currently waiting for the Notice to Proceed to be awarded by the Division of Highways. The pathway will provide a safe walking a biking opportunity along the park roads.

These projects are the result of a cooperative effort among the stakeholders in the park. The newly formed Stonewall State Park Foundation was instrumental in acquiring the matching grant funds totaling over \$160,000.

A controlled deer hunt was held in November 2008. This was the first hunt on an open and operating State Park in more than 50 years. The hunt was successful in harvesting 70 deer from

the park. Approximately 150 hunters were selected, however, roughly one third of the hunters did not show after being selected. A second hunt is scheduled again for this November.

For two years Stonewall has hosted the Governor's One Shot Whitetail Deer Hunt. The event has been highly successful in raising funds for the WVDNR Hunters Helping the Hungry program. Honored guests have been Governor Manchin and Brigadier General Chuck Yeager as participants.

Recently more than 150 stone cairns, walls and structures have been discovered among the remote areas of the park. The origin of the structures is unknown, however, the Senior State Archaeologist agrees that they are significantly important. We have surveyed, inventoried and documented each structure and forwarded the information to researchers who specialize in stone structures. Although we may never know the exact origin of the structures, some experts believe they are Native American artifacts. We are currently considering the interpretive value of the structures and determining our best strategy for preserving them from damage while allowing the public to visit and enjoy them.

## **Major Needs**

Although the resort continues to provide excellent customer service, it is important that the resort meets business levels necessary to fund bond payments and reserves for major maintenance needs and replacement of furniture, fixtures and equipment. Additionally, the development contract has not been fulfilled and lacks the construction of 5 additional cottages and 88 additional campsites. Recent legislation was passed which permits investments from private individuals and businesses for the construction of cottages which may provide a vehicle to meet funding needs and cottage construction.

Because of the complexities of the resort relationships and the lack of a legal entity, the resort struggles with owning or leasing equipment and pays tax on purchases. The developer has commented that a legal entity would be advantageous in operating more efficiently.

## **Personnel**

Two full time state employees are employed at Stonewall Jackson Lake State Park. This is adequate for administering the needs required by the State of West Virginia for the operation of the park and resort.

Stonewall Resort has a total of about 350 employees during the summer season and about 200 employees through the winter. Approximately 150 are benefit earning full time employees.

## Superintendent Comments

The success of the resort is due to the management efforts of our operator, the quality of the facilities that have been constructed, the popularity of the park, the unique natural setting, and the positive relationship that exists between the Division of Natural Resources, McCabe Henley, Benchmark Hospitality and the U.S. Army Corps of Engineers. The willingness by McCabe Henley and Benchmark Hospitality to provide or accommodate the issues that are important to State Parks is obvious. Every effort is made to provide a high quality experience to all Stonewall visitors.

Although many parts of the development have been constructed, it is important to complete the remaining development portions of the agreement along with additional recreational amenities. The legislation allowing private investments in cottages may assist in meeting these requirements and bringing necessary funds to the unfunded needs. However, there remain a number of hurdles to make this a reality. This type of investment was not included in the original Master Plan for the park and therefore requires a new Master Plan. The approval of a new Master Plan, when the new plan is submitted to the U.S. Army Corps of Engineers, could take several months, if not years, until approval is granted. Additionally, there are significant concerns of the "private" ownership of cottages on a condemnation property.

It is important that bond payments and reserves are funded properly. Currently furniture and soft goods, for the most part, continue to look new and adequately meet the needs of the resort. However, much of the lodge equipment is eight years old and will soon begin showing signs of wear which will not be acceptable for a Four Diamond Resort.

Camping continues to be very popular at Stonewall. The campground remains generally full from mid-April through mid-October. It is important that the additional camping is constructed.



## Statistical Trends

<b>Stonewall Jackson Lake State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Attendance</b>	198,274	157,271	174,156
<b>Lodge Occupancy</b>	45.63%	49.05%	52.21%
<b>Cottage Occupancy</b>	40.33%	54.39%	45.92%
<b>Campsite Occupancy</b>	60.43%	49.61%	58.82%
<b>Operating Revenue</b>	-	-	-
<b>Operating Expenditures</b>	104,417	94,024	95,697
<b>Surplus/(Subsidy)</b>	(104,417)	(94,024)	(95,697)
<b>Self-Sufficiency</b>	-	-	-

## Three Year Expense Comparison Stonewall Jackson Lake State Park

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Total Personal Services	57,954	55,956	55,234
Total Employee Benefits	27,324	25,833	25,825
<b>CURRENT EXPENSE</b>			
Office/Postal/Freight	1,409	695	1,345
Printing/Binding	177	-	149
Utilities	2,603	2,291	2,724
Telephone	2,347	1,967	2,458
Contract/Professional	838	431	205
Travel	627	662	2,165
IS&C/WV Net	81	84	63
Machine Rental	471	516	307
Clothing/Household	1,309	92	1,089
Vehicle Maintenance Expense	3,239	4,105	2,090
Merchandise for Resale	-	-	664
Hospitality	45	-	26
Farm Expense	(1,913)	6,987	730
Miscellaneous			
Credit Card Processing Fees			
Training	-	411	-
Miscellaneous Equipment	5,556	176	67
<b>TOTAL CURRENT EXPENSES</b>	<b>16,788</b>	<b>18,417</b>	<b>14,084</b>
<b>REPAIRS AND ALTERATIONS</b>			
Office Equipment	63	63	-
Building/House/Equipment	256	-	-

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Building Repairs/Alterations	1,128	205	554
Vehicle Repairs	791	552	-
Ground Improvements	43	-	-
Farm/Construction Equipment	71	-	-
Other Repairs/Alterations	-	(7,001)	-
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>2,351</b>	<b>(6,182)</b>	<b>554</b>
<b>EQUIPMENT</b>			
Office/Communication Equipment	-	-	-
Vehicle Equipment	-	-	-
Other Equipment	-	-	-
<b>TOTAL EQUIPMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>104,417</b>	<b>94,024</b>	<b>95,697</b>

# **SUMMARY OF OPERATIONS**

## **Cedar Creek State Park**

### **Background Information**

Situated in the heart of West Virginia and in the foothills of the Alleghenies, Cedar Creek State Park provides a wide range of recreational opportunities for the residents of this state and its visitors. While the area has many beautiful day use facilities, the pride of the park is a splendid seventy-five site camping area. Fifty-nine of the sites have electricity and 48 have water hookups. The six additional sites offer no hookups. A small group camping area of ten sites hosts many family reunions during the summer season; four of those sites have electricity. Three bath houses are located in the camping area to meet the needs of visitors. The campground registration station is of historical significance to this area, serving as a landmark gasoline station in the nearby city of Glenville for many years. Moved to the park in the early 1980's, it has been restored to its original state. The park has in excess of 2,500 acres, with nearly fourteen miles of hiking trails to provide a pristine back country walking experience.

The park's facilities also include a swimming pool, general store, miniature golf course, tennis courts, and paddle boat rental. A modern multipurpose building, complete with central air conditioning and heating, will accommodate more than one hundred people for family and business meetings. A recent addition to the facility is a modern commercial style kitchen area and masonry fireplace. Three large picnic shelters host numerous family reunions each season. To recognize the valuable contributions of the educators of yesterday, a teacher memorial has been constructed, and one room school house was moved from a nearby location to the park. The school has been furnished with numerous artifacts and mementoes representing our educational system from years gone by. Playgrounds, picnic areas, a baseball field, and fishing lakes round out the facilities at Cedar Creek.

### **Business Management Issues and Trends**

The fifteen site campground expansion project, completed in 2004, includes electric and water hookups and meets ADA compliance standards. The campground operates at nearly 100% occupancy on Thursday, Friday, and Saturday nights during the summer season. In-house improvements to the water and electric hookups in the campground have also increased the quality of the camping experience. The campground is the main revenue producer at Cedar Creek, bringing in over 60% of all revenue.

We anticipate that the recently added amenities of the kitchen and fireplace to the multipurpose building will increase use of the facility and bring in more revenue.

## **Current/Recent Projects and Improvements**

Install 50 amp service to seven existing campsites (in-house project)  
Water hookups to 26 additional campsites  
Concrete pads on 11 campsites  
New kitchen and fireplace in recreation building  
ADA upgrades to picnic shelters  
New playground sites in development stage  
Stone pillars and lighting for two directional/information signs  
New plastic laminate signs installed throughout park  
Continued stabilization of stream bank in campground  
New truss and metal roof on swimming pool bathhouse

## **Major Needs**

### **Capital Improvements**

Purchase of water slide, game room development at swimming pool  
Installation of new filters at pool  
Paving of pool parking area  
Paving of campsites  
Central bathroom near recreation building  
Dredging of reservoir that supplies fishing ponds  
New playing surface on game courts  
Miniature golf renovations  
Additional sewage dump station at campground  
Maintenance building renovation  
Garage for park vehicles and equipment  
HVAC system for park office

### **Equipment**

4X4 backhoe with loader  
Ground maintenance equipment  
Riding mower  
4X4 pickup truck  
Generator  
Shop tools and equipment  
Grinder pumps  
Office computers  
Washer/dryer for campground laundry facilities

### **Major Repairs and Alterations**

Continue campsite improvements, concrete aprons

Water hookups for campsites  
Continue stream bank stabilization  
ADA improvements  
Continue picnic shelter renovations  
Boat dock renovations

## **Personnel**

Currently, Cedar Creek State Park has four full-time employees performing operational, law enforcement, and maintenance duties. These personnel also manage water and sewage operations on the area. During peak season, 16 seasonal and summer employees provide additional assistance to operate the facility. With the additional camping facilities, another full time employee is needed to continue to provide the level of maintenance the area requires and that guests have become accustomed to.

## **Superintendent's Comments**

We hope that Cedar Creek will play an important role in the West Virginia State Park System as it moves further into the 21<sup>st</sup> century. We hope to be included in development planning and construction as the park system looks to expand both facilities and services. Cedar Creek has several areas of prime real estate that have yet to be utilized and could be developed to draw more visitors. The park is perhaps the main reason people are in the area spending time and money in local businesses.

The park staff is very proud of the recent improvements done in-house and we are looking ahead to even bigger and better things.

## Statistical Trends

<b>Cedar Creek State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Attendance</b>	159,198	151,348%	150,143
<b>Campsite Occupancy</b>	39.71%	39.14%	43.02%
<b>Operating Revenue</b>	145,123	142,534	151,913
<b>Operating Expenditures</b>	333,500	309,462	326,767
<b>Surplus/(Subsidy)</b>	(188,377)	(166,928)	(174,854)
<b>Self Sufficiency</b>	44%	46%	46%

## Three Year Revenue Comparison Cedar Creek State Park

Revenue	FY 2008	FY 2007	FY 2006
Boat Rental	3,273	3,598	3,355
Campsite Rentals	94,022	88,083	92,084
Coin Laundry	826	703	773
Facility Use Rental	3,250	4,211	3,173
Firewood Sales	7,760	7,458	8,682
Games	25	62	52
Gift Shop Sales	15,107	15,491	18,053
Miniature Golf	5,007	4,695	5,237
Miscellaneous Collections	(450)	1,238	(122)
Picnic Shelter Fees	3,225	3,550	3,925
Swimming Fees	11,257	12,667	14,694
Tennis	519	146	106
Vending Machines	1,302	632	1,900
<b>TOTAL OPERATING REVENUE</b>	<b>145,123</b>	<b>142,534</b>	<b>151,913</b>



## Three Year Expense Comparison Cedar Creek State Park

Expense	FY 2008	FY 2007	FY 2006
Total Personal Services	173,407	166,616	164,380
Total Employee Benefits	61,478	59,986	63,144
<b>CURRENT EXPENSE</b>			
Office/Postal/Freight	1,206	1,251	2,059
Printing/Binding	109	89	-
Utilities	33,847	31,368	32,613
Telephone	4,534	6,028	5,512
Contract/Professional	190	970	125
Travel	-	834	551
Vehicle Rental	-	750	-
Machine Rentals	73	35	17
Clothing/Household Supplies	7,554	8,056	7,458
Vehicle Maintenance Expense	14,583	7,532	11,649
Research/Education/Medical	34	-	75
Merchandise for Resale	10,671	8,424	11,624
Hospitality			
Miscellaneous	270	84	879
Credit Card Processing Fees	355	351	247
Training	-	226	140
Miscellaneous Equipment	2,707	2,923	2,652
<b>TOTAL CURRENT EXPENSE</b>	<b>76,103</b>	<b>68,920</b>	<b>75,599</b>
<b>REPAIRS AND ALTERATIONS</b>			
Office Equipment	104	-	601
Building/Household/Comm	155	422	18
Building Repairs/Alterations	8,183	6,286	6,779

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Vehicle Repairs	664	390	699
Ground Improvements	2,272	2,387	2,218
Farm/Construction Equipment	2,200	2,859	7,157
Other Repairs/Alterations	8,934	1,596	671
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>22,512</b>	<b>13,940</b>	<b>18,144</b>
<b>EQUIPMENT</b>			
Office/Comm Equip	-	-	-
Other Equipment	-	-	5,500
<b>TOTAL EQUIPMENT</b>	<b>-</b>	<b>-</b>	<b>5,500</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>333,500</b>	<b>309,462</b>	<b>326,767</b>

# **SUMMARY OF OPERATIONS**

## **Holly River State Park**

### **Background Information**

The area that is now Holly River State Park was settled around 1870 by a group of immigrants from Switzerland. Like many current state parks, the area was extensively timbered around the turn of the century, and the cleared areas subsequently used for farming. The land proved unsuitable, however, and most farms were marginal at best. In 1937 the U.S. Department of Agriculture, under direction of the Farm Security Administration, began purchasing property and relocating families so that the area could be restored and reforested. Several recreational facilities were also constructed around this time including rental cabins, and the area officially became a state park in 1938.

For many years, development was limited and it was the 1960's before major improvements were made. At that time the cabins were refurbished and a new water system, trout rearing pond and campground were constructed. In 1966, land was purchased and used for an additional campground which opened in 1972. During the 1970's improvements included tennis courts and refurbishment of the swimming pool. Land purchases continued through the 1980's bringing the park to its current size of 8,292 acres.

### **Current/Recent Projects and Improvements**

- Upper Falls overlook/staircase project
- HVAC system for office/restaurant building
- Sewage dump station installed in campground
- Nature's Rock Garden Trail footbridge replacement
- Laurel Fork handicap accessible trail
- Meeting space addition to activities building

### **Major Needs**

#### **Capital Improvements**

- Electric service line replacement
- Assistant superintendent residence
- New campground check-in station
- Campsite paving

## **Major Needs (cont.)**

### **Equipment**

- One ton dump truck
- Riding lawnmowers
- Electric arc welder
- Restaurant kitchen equipment
- Farm tractor

### **Major Repairs and Alterations**

- Replace electrical transmission lines
- Campsite paving
- Campground electric panel replacement
- Tennis court resurfacing
- Swimming pool and bathhouse replacement
- Additional bathhouse in campground area

## **Personnel**

Holly River operates with seven full time employees including the superintendent, assistant superintendent, office assistant, carpenter, auto mechanic, building maintenance supervisor and park aide. During the peak season the park employs an additional dozen workers including the summer naturalist, lifeguards, campground attendant, cabin cleaners and park attendants. The carpenter position has been vacant for one year.

## **Superintendent's Comments**

Although the early history of Holly River focused on reclamation of streams, reforestation and wildlife management dynamics, the current focus of the park is providing recreational opportunities and facilities. The success of the early efforts in restoration of the area has provided today's visitors with one of the most beautiful natural areas of the state and leaves them with almost no visual clue to the past history of the land. We strive to provide a quality experience for guests to enjoy while keeping the park well maintained, safe and preserving the natural resources of the area. Guest satisfaction can best be measured by the fact that an overwhelming majority of first time visitors return for additional visits.

## Statistical Trends

<b>Holly River State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Attendance</b>	117,985	125,168	128,410
<b>Cabin Occupancy</b>	65.13%	67.66%	66.30%
<b>Campsite Occupancy</b>	39.11%	34.60%	34.67%
<b>Operating Revenue</b>	249,295	249,868	249,405
<b>Operating Expenditures</b>	433,914	407,939	420,026
<b>Surplus/(Subsidy)</b>	(184,619)	(158,070)	(170,621)
<b>Self Sufficiency</b>	57%	61%	59%

## Three Year Revenue Comparison Holly River State Park

<b>Revenue</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Cabin Rentals	118,334	119,323	108,461
Campsite Rentals	107,700	107,728	117,063
Coin Laundry	1,000	528	673
Coin Machine Concession	-	-	22
Cot Rental	920	721	1,148
Firewood Sales	6,068	7,008	5,949
Games	1,315	870	1,199
Gas & Oil Leases/Royalties	6	-	-
Group Camps	1,804	1,289	1,414
Magazine Sales	20	28	58
Miscellaneous Collections	707	304	(196)
Picnic Shelter Fees	5,215	5,167	5,192
Residence Rentals	661	720	720
Restaurant Concession	1,667	1,557	1,542
Swimming Fees	3,868	4,574	6,142
Tennis	11	52	17
<b>TOTAL OPERATING REVENUE</b>	<b>249,295</b>	<b>249,868</b>	<b>249,405</b>

## Three Year Expense Comparison Holly River State Park

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Total Personal Services	230,152	217,090	218,414
Total Employee Benefits	93,647	90,411	99,234
<b>CURRENT EXPENSE</b>			
Office/Postal/Freight	1,905	1,547	1,999
Printing/Binding	215	429	-
Utilities	42,978	45,913	40,834
Telephone	4,541	4,036	4,547
Contract/Professional	3,272	2,975	2,658
Travel	120	643	539
Vehicle Rental	-	-	960
Machine Rentals	486	275	289
Clothing/Household Supplies	20,454	14,948	16,531
Advertising	-	150	168
Vehicle Maintenance Expense	10,165	5,439	8,841
Research/Education/Medical	-	119	-
Merchandise for Resale	5,669	7,496	6,716
Miscellaneous	321	1,497	525
Credit Card Processing Fees	2,169	2,173	1,937
Training	-	955	100
Miscellaneous Equipment	4,230	2,519	2,205
<b>TOTAL CURRENT EXPENSE</b>	<b>96,528</b>	<b>91,114</b>	<b>88,848</b>
<b>REPAIRS AND ALTERATIONS</b>			
Office Equipment	99	-	-
Building/Household/Comm	7,542	1,085	2,891
Building Repairs/Alterations	2,652	3,926	3,582

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Vehicle Repairs	693	-	65
Ground Improvements	1,386	2,011	3,870
Farm/Construction Equipment	1,021	1,918	1,523
Other Repairs/Alterations	195	385	1,600
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>13,587</b>	<b>9,325</b>	<b>13,530</b>
<b>EQUIPMENT</b>			
Office/Comm. Equipment	-	-	-
Other Equipment	-	-	-
<b>TOTAL EQUIPMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>433,914</b>	<b>407,939</b>	<b>420,026</b>



# **SUMMARY OF OPERATIONS**

## **Pipestem Resort State Park**

### **Background Information**

Pipestem Resort State Park had its beginnings in the early 1960's when the Bluestone Gorge area was surveyed and studied as a potential park site. The general development plan was approved in 1963 and land acquisition commenced soon after and was nearly complete two years later. In the fall of 1967 the first of the new facilities, the nine hole golf course, opened to the public. Development continued at a rapid pace for the next few years and by 1971 there were 25 cottages, two lodges with a total of 143 rooms, an additional 18 hole golf course, golf pro shops, game courts, 50 site campground, a tramway to the bottom of Bluestone Gorge, nature center, ice skating rink, miniature golf course, riding stables, a 16-acre lake, indoor and outdoor pools, a 500-seat amphitheater, restaurants, meeting rooms, gift shops, and headquarters building. The official grand opening was held on Memorial Day, 1970.

In recent years, the park added 32 additional campsites, an ADA accessible cottage and new conference center.

### **Resource Management Issues**

Other than an unhealthy over abundance of deer, the natural resources of park lands face no serious environmental or land management threats. Gypsy moths have been found at Pipestem, but have not yet become a problem. The WV Department of Agriculture administers a black fly spraying program along the Bluestone River to aid in control of this pest.

### **Business Management Issues and Trends**

#### **Concession Operation**

Two private concessionaires continue to operate at Pipestem. The food service concession is handled by Resort Foodservice, Inc. who provide consistently good food and service to guests. The Mountain Creek Dining Room has established a reputation for being one of the area's top dining establishments. The other concessionaire is R&R Stables, providing for operation of the horseback riding and stable facilities. Both companies continue to receive positive comments from guests and no major changes are anticipated in the contractually operated facilities.

#### **Revenue Trends**

Occupancy and revenue have remained fairly consistent over the past five years. There is little room for growth during the peak season of June, July, August and October. In addition, most winter weekends have good business levels. There exists opportunity for significant growth in

weekday occupancy during the winter months of December, January, February and March. Much progress has been made on winter sales with strong increases in occupancy due to the Sales Program, Special Events and allocation of advertising resources directed at the off season guest.

## **Current/Recent Projects and Improvements**

- New handicap lift access to Black Bear Snack Bar and Dogwood Room
- Mulligan's Restaurant outdoor deck renovations
- Bluestone Dining Room buffet and ceramic tile
- McKeever Lodge room renovations
- McKeever Lodge rest room renovations
- McKeever Lodge air handler upgrades
- McKeever Lodge dance floor
- Queen bed upgrade to all cottages
- Point of sale computer system at Bluestone Dining Room and Black Bear Snack Bar
- Roof replacement on several park buildings
- Mountain Creek Lodge bathroom tile replacement
- Wireless Internet in McKeever Lodge and conference center
- Ongoing furniture re-upholstery project
- Aerial tram sheave wheel/tower alignment

## **Major Needs**

### **Capital Improvements**

- Lodge expansion
- Aerial tramway is not yet obsolete but is beginning to approach the end of useful life
- Expand campground electric to 30 campsites
- Additional cottages
- Golf course chemical supply building
- Golf course cart path repaving
- Golf course irrigation project
- Additional campground bathhouse

### **Equipment**

- New televisions in lodge rooms and cottages
- New appliances for cottages
- Grounds maintenance equipment
- Lodge carpeting
- Voice mail system upgrade
- Furniture/bedding upgrade
- Maintenance shop power tools
- Housekeeping equipment

Lodge ice machines

### **Major Repairs and Alterations**

- Lodge roof replacement (McKeever and Mountain Creek)
- Freight elevator upgrade
- Lodge room patio door replacement
- Fire alarm system upgrade
- McKeever lodge brick pavers
- Indoor pool window/door replacement

### **Personnel**

Pipestem currently employs 81 benefit earning staff members, down from 160 in 1979. During the peak summer season, up to an additional 112 hourly employees are utilized. These positions vary from summer jobs to ten month seasonal appointments.

Maintaining the number of full time positions is important to the operations of Pipestem due to the lead roles these employees play while working with hourly staff. Levels of training, education, dedication and job knowledge are also normally higher in the full time employees. They have sufficient opportunity to obtain necessary certifications, licensing and training to enable them to safely and efficiently perform their duties.

### **Acting Superintendent's Comments**

Pipestem has been a great tourist destination for families and groups for nearly 40 years. Affordable accommodations, amenities, great natural beauty and family activities have served over 20 million visitors since its opening in 1970. The economic impact the park has had on the region and state has far exceeded the original investment of \$14 million dollars and yearly operating expenses.

With the uncertain times we face, the goal of Pipestem's staff remains as it has always been, to maintain, improve and upgrade the existing facilities, provide an exceptional level of service to guests and preserve the natural beauty that draws visitors year after year.

An infusion of funding to expand and upgrade facilities would aid in the ability to host larger groups in the off season, furthering the goal of self sufficiency.

## Statistical Trends

<b>Pipestem Resort State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Attendance</b>	397,326	418,839	440,417
<b>Lodge Occupancy</b>	58.15%	57.65%	58.20%
<b>Cabin Occupancy</b>	68.47%	67.65%	69.21%
<b>Campsite Occupancy</b>	26.52%	26.62%	26.62%
<b>Operating Revenue</b>	3,778,754	3,909,794	3,970,688
<b>Operating Expenditures</b>	5,333,304	5,181,381	5,097,742
<b>Profit/Loss</b>	(1,554,550)	(1,271,586)	(1,127,053)
<b>Self Sufficiency %</b>	71%	75%	78%

## Three Year Revenue Comparison Pipestem Resort State Park

Revenue	FY 2008	FY 2007	FY 2006
Arts and Crafts	13,290	14,152	18,226
Boat Rental	9,507	9,755	9,874
Cabin Rentals	704,728	719,453	756,084
Campsite Rentals	162,106	163,456	161,136
Coin Laundry Machines	1,610	1,846	1,756
Coin Machine Concession	-	107	57
Cot Rental	3,907	-	-
Driving Range	8,756	7,613	9,203
Equipment Rental	4,315	4,508	4,677
Facility Use Rental	17,103	15,537	17,830
Firewood Sales	11,778	13,236	12,340
Games	1,678	2,335	2,122
Gift Shop Sales	260,725	259,927	284,130
Gifts & Bequests	(527)	476	-
Golf Carts	96,539	86,968	98,453
Greens Fees	342,666	322,907	328,368
Lodge Rooms	1,780,158	1,879,140	1,801,740
Miniature Golf	21,105	21,356	22,990
Miscellaneous Collections	9,279	62,034	126,405
Picnic Shelter Fees	3,573	4,350	3,927
Pro Shop	74,698	79,943	78,084
Residence Rentals	825	750	750
Restaurant Concession	89,861	87,807	90,408
Restaurants	-	4,659	-
Riding Stables	8,851	8,505	8,335
Swimming Fees	45,346	45,123	41,666
Tennis	428	365	352
Tram	91,046	78,950	76,057
Vending Machines	15,404	14,539	15,720

<b>Revenue</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>TOTAL OPERATING REVENUE</b>	<b>3,778,754</b>	<b>3,909,794</b>	<b>3,970,688</b>

### **Three Year Expense Comparison Pipestem Resort State Park**

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Total Personal Services	2,748,806	2,640,313	2,558,745
Total Employee Benefits	1,035,499	1,033,486	1,044,137
<b>CURRENT EXPENSE</b>			
Office/Postal/Freight	19,181	21,372	24,850
Printing/Binding	7,710	1,523	7,138
Rental Expense	-	100	-
Utilities	591,930	552,927	526,650
Telephone	29,439	39,282	43,198
Contract/Professional	42,182	45,749	44,617
Travel	681	2,901	6,147
IS&C/WV Net	1,013	415	306
Vehicle Rental	-	-	4,558
Machine Rentals	8,729	11,598	13,908
Association Dues	1,105	765	765
Clothing/Household	169,433	148,767	156,757
Advertising	4,390	5,203	3,513
Vehicle Maintenance Expense	88,075	76,127	80,358
Research/Edu/Med	347	929	517
Maintenance Contracts	17,087	14,895	15,095
Merchandise for Resale	203,109	216,631	237,219
Hospitality	-	57	91
Farm Expense			
Recreational Supplies			
Miscellaneous	2,055	2,140	4,639
Credit Card Processing Fees	62,505	58,635	56,970

Training	380	780	204
Miscellaneous Equip Purchases	41,321	34,621	23,542
<b>TOTAL CURRENT EXPENSE</b>	<b>1,290,671</b>	<b>1,235,418</b>	<b>1,251,042</b>
<b>REPAIRS AND ALTERATIONS</b>			
Office Equipment	2,735	1,127	1,694
Building/Household/Comm	49,211	36,228	38,393
Building Repairs/Alterations	54,596	80,306	104,816
Vehicle Repairs	4,849	1,317	2,918
Ground Improvements	80,884	60,893	30,355
Farm/Construction Equipment	27,425	30,166	31,790
Other Repairs/Alterations	38,628	34,434	30,080
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>258,328</b>	<b>244,471</b>	<b>240,045</b>
<b>EQUIPMENT</b>			
Office/Comm Equip	-	-	-
Household Equip/Furn	-	19,543	-
Vehicles	-	8,150	-
Other Equipment	-	-	3,773
<b>TOTAL EQUIPMENT</b>	<b>0</b>	<b>27,693</b>	<b>3,773</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>5,333,304</b>	<b>5,181,381</b>	<b>5,097,742</b>

# **SUMMARY OF OPERATIONS**

## **Bluestone State Park**

### **Background Information**

The Bluestone dam was completed as a flood control project in December 1948. Shortly after the dam was finished, the Corps of Engineers allowed for the development of a small restaurant and two small marinas. In 1950, the Corps leased 1,248 acres of land to the West Virginia Conservation Commission and Bluestone State Park was born. In early 1951, planning began and led to the development of 15 vacation cabins, picnic area, entrance road and a swimming area and bathhouse on the river, all completed in 1956. Over the next few years, 800 additional acres were added to the park, additional cabins, an outdoor swimming pool, campgrounds and game courts were built. In the early 1970's an additional campground was developed, along with new maintenance facilities, and the park was connected to the public service district water supply. In the 1990's, the park added an ADA cabin, new decks and porches on existing cabins. Most recently, playground facilities and a basketball court have been added for park visitors.

### **Current/Recent Projects and Improvements**

- New grills for the cabins have been purchased
- Playground equipment and upgrades
- Basketball court
- Mattress replacement
- Cabin bathroom renovation
- Campground pedestal replacement
- Cabin 26 upgrades
- Cabin staining, kitchen and bathroom floor refinishing
- Television upgrades
- Pit area electrical project
- Appliance replacement
- Cabin re-roofing projects
- Plastic sign replacement
- Interpretive trail
- East Shore dock replacement
- Cabin furnace replacement

### **Major Needs**



## **Capital Improvements**

- Replace swimming pool and bathhouse (Bathhouse budgeted for FY 10)
- Water line replacement
- Construct firewood storage building
- Construct maintenance storage building
- ADA rest rooms at marina and launch ramps
- ADA improvements to office/gift shop
- Cabin area paving
- Campsite paving
- Pool parking lot paving
- Activities Building conversion
- Additional 4 bedroom cabins

## **Equipment**

- Passenger van
- Utility vehicle
- Grounds maintenance equipment
- Fleet vehicles for superintendents and maintenance crew

## **Major Repairs and Alterations**

- New storm doors and windows for cabins
- Continued cabin upgrades, i.e. kitchens, bathrooms, floor, etc.
- Maintenance shop/gas shed upgrade and repair
- Air conditioning in 25 cabins

## **Personnel**

Bluestone at this time has a total of 37 employees of all types, which includes seven full time staff members including superintendent level, office and maintenance staff. Seasonal staff totals 30 and includes maintenance laborers, housekeeping personnel, campground attendants and office clerks. Summer staff includes lifeguards, office clerks, campground workers and the summer naturalist. It is also becoming increasingly more difficult to attract and retain the desired staff with the compensation and benefits we offer. Guest views of Bluestone and the West Virginia State Park System are shaped by the staff.

## **Superintendent's Comments**

Bluestone State Park continues to be a very popular year round cabin vacation park. In recent years a number of infrastructure and capital improvement projects have been completed and/or addressed. Guest comments have been very positive and we must continue to maintain the existing areas and facilities as the age factor starts to come into play. New facilities must also be a priority. For example, I believe the conversion of the Activities Building into a seven or eight bedroom lodge type rental would be very beneficial to Bluestone and the park system. We must also strive to acquire and keep quality employees or all of our expectations and goals will fail. Properly addressing these few items will help to keep the West Virginia State Park System the crown jewel of the state.

## Statistical Trends

<b>Bluestone State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Attendance</b>	194,333	197,760	231,813
<b>Cabin Occupancy</b>	44.75%	46.06%	46.76%
<b>Campsite Occupancy</b>	33.39%	32.48%	30.63%
<b>Operating Revenue</b>	519,725	534,526	514,781
<b>Operating Expenditures</b>	686,233	656,504	623,531
<b>Profit/Loss</b>	(166,508)	(121,978)	(108,750)
<b>Self-Sufficiency %</b>	76%	81%	83%

## Three Year Revenue Comparison Bluestone State Park

Revenue	FY 2008	FY 2007	FY 2006
Arts and Crafts	(70)	-	-
Cabin Rentals	409,132	421,777	375,967
Campsite Rentals	73,170	66,008	69,555
Coin Machine Concession	562	457	626
Cot Rental	3,531	4,312	4,543
Equipment Rental	72	22	21
Facility Use Rental	2,685	2,241	1,522
Firewood Sales	8,976	7,744	8,473
Gift Shop Sales	21,080	23,447	22,310
Magazine Sales	30	37	67
Marina	5,798	4,943	5,786
Miscellaneous Collections	(34,058)	(27,904)	(3,082)
Picnic Shelter Fees	2,023	1,991	1,703
Snack/Comm/Souv	8,806	10,793	8,599
Swimming Fees	15,973	16,657	16,107
Vending Machines	2,016	2,001	2,585
<b>TOTAL OPERATING REVENUE</b>	<b>519,725</b>	<b>534,526</b>	<b>514,781</b>

## Three Year Expense Comparison Bluestone State Park

Expense	FY 2008	FY 2007	FY 2006
Total Personal Expense	291,815	276,117	276,779
Total Employee Benefits	104,081	102,534	104,782
<b>CURRENT EXPENSE</b>			
Office/Postal/Freight	2,562	2,372	2,175
Printing/Binding	87	75	-
Utilities	131,815	135,913	99,861
Telephone	6,849	6,135	5,358
Contract/Professional	4,960	5,452	3,032
Travel	393	1,057	1,713
IS&C/WV Net	81	84	63
Vehicle Rental	-	-	950
Machine Rentals	2,380	1,617	1,472
Association Dues	-	50	126
Clothing/Household	32,597	36,053	37,184
Advertising	7	-	13
Vehicle Maintenance Expense	13,168	12,648	13,785
Research/Edu/Medical	452	417	559
Merchandise for Resale	27,833	25,745	23,371
Miscellaneous	943	359	1,891
Credit Card Processing Fees	7,586	6,959	6,529
Training	600	20	487
Miscellaneous Equip Purchases	11,741	20,849	27,236
<b>TOTAL CURRENT EXPENSE</b>	<b>244,055</b>	<b>255,806</b>	<b>225,806</b>
<b>REPAIRS AND ALTERATIONS</b>			
Office Equipment	-	-	-
Building/House/Comm	4,514	2,390	2,726
Building Repairs/Alterations	20,919	16,135	4,153
Vehicle Repairs	984	234	931
Ground Improvements	9,266	2,602	3,955

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Farm/Construction Equipment	3,115	686	4,399
Other Repairs/Alterations	385	-	-
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>39,186</b>	<b>22,047</b>	<b>16,165</b>
<b>EQUIPMENT</b>			
Office/Comm Equipment	-	-	-
Household Equip/Furnishing	-	-	-
Livestock/Farm/Construction	7,099	-	-
Other Equipment	-	-	-
<b>TOTAL EQUIPMENT</b>	<b>7,099</b>	<b>0</b>	<b>0</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>686,233</b>	<b>565,504</b>	<b>623,531</b>

# **SUMMARY OF OPERATIONS**

## **Camp Creek State Park**

### **Background Information**

Camp Creek State Park was formed in 1988 when 550 acres of Camp Creek State Forest were set aside as a recreation area. Nearly 5,300 acres of forest land still lies adjacent to the park. Within Camp Creek State Park there are several picnic shelters, hiking trails, playground areas, game courts, gift shops and three separate campgrounds. Mash Fork campground includes 24 sites with electric hookups and a central bathhouse. The newest addition to the park is the Double C Horse and Rider Campground, the first area of its type in the state park system. The campground is designed to accommodate campers who travel with their own horses seeking recreational opportunities.

### **Current/Recent Projects and Improvements**

- Law Enforcement Training Area
- Amphitheater
- Waste treatment facility
- Playground equipment
- Painting of all structures
- Completion of the horse and rider camping area
- Clean up and restoration from flooding
- Upgrade of park office electric service
- Farley Branch waters system upgrades

### **Major Needs**

#### **Capital Improvements**

- New maintenance building
- New bathhouse in Blue Jay camping area
- New picnic shelter

#### **Equipment**

- Grounds maintenance equipment
- Utility vehicle (John Deere/Mule)
- Tire machine and balancer

#### **Major Repairs and Alterations**

- Re-roof office and three picnic shelters
- Upgrade Mash Fork campsites to full hookup

Upgrade Mash Fork electric service  
Replace drinking fountains  
Ballfield rest room renovations  
Campground bathhouse renovation

## Personnel

Camp Creek State Park operates with two full time staff members, these being a superintendent and park aide. There are six summer/seasonal employees including park attendants and office staff. The park is fortunate to also have the services of two full time volunteer campground hosts.

## Superintendent's Comments

Camp Creek State Park is continually growing. Attendance is averaging over 100,000 visitors per year. Most facilities in the park were not designed to handle such high numbers. Over the past few years we have been working to correct that problem. The main water system was upgraded with a new reservoir. The new reservoir holds 32,000 gallons of water, compared to the old one that held 9,000 gallons. New pressure tanks and a booster pump were also added to this system to ensure correct pressure. Two of the parks rest rooms were completely rebuilt and heat added to make them year round facilities. The phone and reservation system was upgraded to allow us to handle the larger number of calls. The camper registration building was expanded to also include a camper store and gift shop. A new waste water treatment facility has been designed and is in the bid process. New playground equipment was designed, bid out, and has been awarded to the selected vendor. Both of these projects are scheduled to start this fall.

We have added a couple of new facilities to the park. A new camping area was added to accommodate the equestrian interest in our park and forest. The Double C equestrian camping area is the first of its kind within our park system. We also have added a law enforcement training area. This was added so that the park system would have a permanent place to conduct required training and pistol qualifications for all of its superintendents and park rangers. A new amphitheater is under construction. This facility will not only allow us to provide park guests with top quality entertainment, it is also designed to produce revenue. The back part of this facility has a multi- purpose room and a full kitchen and can be rented out for weddings, showers, meetings and other events.

## Statistical Trends

<b>Camp Creek State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Attendance</b>	101,854	106,410	101,798
<b>Campground Occupancy</b>	30.69%	31.56%	32.17%
<b>Operating Revenue</b>	84,829	83,036	88,750
<b>Operating Expenditures</b>	226,839	204,946	209,729
<b>Surplus/(Subsidy)</b>	(142,010)	(121,910)	(120,978)
<b>Self-Sufficiency %</b>	37%	41 %	42%

### Three Year Revenue Comparison Camp Creek State Park

<b>Revenue</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Campsite Rentals	56,883	55,839	58,457
Coin Laundry Machines	449	470	367
Firewood Sales	4,830	4,531	5,399
Gift Shop Sales	7,364	6,288	9,818
Miscellaneous Collections	48	(103)	176
Picnic Shelter Fees	14,160	14,478	12,320
Vending Machines	1,095	1,263	2,214
<b>TOTAL OPERATING REVENUE</b>	<b>84,829</b>	<b>83,036</b>	<b>88,750</b>



## Three Year Expense Comparison Camp Creek State Park

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Total Personal Services	99,823	91,614	90,041
Total Employee Benefits	39,107	36,708	38,079
<b>CURRENT EXPENSE</b>			
Office/Postal/Freight	1,239	1,449	1,887
Printing/Binding	54	29	-
Utilities	21,242	20,864	17,951
Telephone	4,454	4,542	3,685
Contract/Professional	637	208	310
Travel	345	730	585
Vehicle Rentals	-	705	-
Machine Rentals	408	405	43
Association Dues	50	50	50
Clothing/Household	8,981	9,137	8,429
Advertising	-	92	39
Vehicle Maintenance Expense	16,072	8,544	13,957
Research/Education/Med	-	25	-
Maintenance Contracts			
Merchandise for Resale	9,766	3,961	9,382
Farm Expense	-	30	-
Miscellaneous	581	634	337
Credit Card Processing Fees	592	537	546
Training			
Miscellaneous Equipment	4,085	1,919	512
<b>TOTAL CURRENT EXPENSE</b>	<b>68,506</b>	<b>53,862</b>	<b>57,714</b>

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>REPAIRS AND ALTERATIONS</b>			
Office Equipment	4052	-	58
Building/House/Comm	4,257	3,755	1,284
Building Repairs/Alterations	5,634	10,788	7,764
Vehicle Repairs	915	987	542
Ground Improvements	3,700	3,287	4,350
Farm/Construction Equipment	3,585	3,058	2,203
Other Repairs/Alterations	910	886	694
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>19,403</b>	<b>22,762</b>	<b>16,895</b>
<b>EQUIPMENT</b>			
Office/Comm Equipment	-	-	-
Livestock/Farm/Construction	-	-	6,999
Other Equipment	-	-	-
<b>TOTAL EQUIPMENT</b>	<b>0</b>	<b>0</b>	<b>6,999</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>226,839</b>	<b>204,946</b>	<b>209,729</b>

# **SUMMARY OF OPERATIONS**

## **Pinnacle Rock State Park**

### **Background Information**

Pinnacle Rock State Park was created in 1938 when the West Virginia Conservation Commission purchased a 26 acre tract of land surrounding Pinnacle Rock, an unusual sandstone formation which towers above surrounding mountains, reaching a height of 3,100 feet above sea level. Original development in 1938 by the Workers Progress Administration (WPA) included stone entrance signs, parking areas, hiking trails and an unique stone picnic shelter with large fireplace. Additional land was purchased in the 1940's and 1960's and in 1968 a 15 acre lake was constructed and stocked for local fishing enthusiasts. Since 1990 over 100 additional acres have been purchased, bringing the total area to the present 396 acres.

### **Resource Management Issues**

- The wooly adelgid has infected the hemlocks and despite efforts from the Dept of Agriculture we still are losing several including many around the yard of the shelter area
- The gypsy moth has been found on the park; however yet to make an impact
- The dogwood anthracnose has taken out at least half of our dogwoods
- The emerald ash borer traps have yet to indicate their presence
- The deer populations appear to be well within carrying capacities and animal populations are healthy

### **Current/Recent Projects and Improvements**

- Dredging and development of a filtering pond for Jimmy Lewis Lake
- Supplying new underground power for the shelter area
- Rewiring the shelter area with modern breakers and ground fault receptacles
- Renovating an old storage building and residing
- Repairing or slowing of leak in the rock strata below Jimmy Lewis Lake
- Excavating an area to add a playground
- Purchasing and installing playground equipment
- Painting and replacing the twelve picnic tables within the shelter
- Purchasing a new digital radio system for the park vehicle for communication with local 911 and other law enforcement agencies
- Repairing mortared stone wall between parking lot and Route 52
- There have been several cleanup projects throughout the park
- Completion of several new trails and a GPS mapping system
- Upgrades to our park brochure and website including interactive trail information

## **Major Needs**

- Repair Jimmy Lewis Lake drain and culvert to comply with DEP standards
- Restock fish in the lake once lake project is complete
- Reroof and gutter shelter including replacement of some sheeting and replacing one deteriorated structural log
- Remain with original architecture and roof patio area
- Remove old grouting from patio floor and regrout
- Complete grading of lake bank and reseed adjacent to recent dredging

## **Personnel**

Pinnacle Rock operates with one full-time Superintendent and two seasonal employees.

## **Superintendent's Comments**

In the past several years we have been able to complete many upgrades to this unique day-use facility. We expect the shelter area to continue to grow in use, especially upon completion of the new rock climbing playground area. The Jimmy Lewis Lake was a high use recreational area among fishermen and I am sure when work is completed at the lake it will once again be a popular fishing destination. There are many unique law enforcement issues with two public roads transecting each of the two main areas of the park.

## Statistical Trends

<b>Pinnacle Rock State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Attendance	32,101	32,484	29,742
Operating Revenue	525	165	440
Operating Expenditures	81,170	71,009	73,849
Surplus/(Subsidy)	(80,645)	(70,844)	(73,409)
Self Sufficiency	-	-	-

### Three Year Revenue Comparison Pinnacle Rock State Park

<b>Revenue</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Picnic Shelter Fees	525	165	440
			-
<b>TOTAL OPERATING REVENUE</b>	<b>525</b>	<b>165</b>	<b>440</b>

## Three Year Expense Comparison Pinnacle Rock State Park

Expense	FY 2008	FY 2007	FY 2006
Total Personal Services	47,533	41,186	41,760
Total Employee Benefits	19,283	17,002	16,649
<b>CURRENT EXPENSE</b>			
Office/Postal & Freight	244	248	408
Printing/Binding	-	125	119
Utilities	1,314	718	1,241
Telephone	718	796	763
Contract/Professional	84	3,507	96
Travel	6	311	80
Vehicle Rental	651	-	-
Association Dues	50	50	50
Clothing/Household	1,683	290	853
Vehicle Maintenance Expense	2,731	3,113	2,521
Miscellaneous	400	-	100
Training	534	-	-
Miscellaneous Equipment Purchase	1,330	1,462	5,339
<b>TOTAL CURRENT EXPENSE</b>	<b>9,744</b>	<b>10,621</b>	<b>11,570</b>
<b>REPAIRS AND ALTERATIONS</b>			
Office Equipment	366	80	-
Building Repairs/Alterations	636	560	305
Vehicle Repairs	50	-	-
Ground Improvements	1,177	1,291	2,095
Farm/Construction Equipment	662	269	849
Other Repairs/Alterations	1,720	-	620
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>4,610</b>	<b>2,200</b>	<b>3,870</b>

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>EQUIPMENT</b>			
Office/Communication Equipment	-	-	-
Other Equipment	-	-	-
<b>TOTAL EQUIPMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>81,170</b>	<b>71,009</b>	<b>73,849</b>

## **SUMMARY OF OPERATIONS**

### **Hawks Nest State Park**

#### **Background Information**

Originally known as Marshall's Pillar, for United States Supreme Court Chief Justice John Marshall, the main overlook of Hawks Nest State Park is just off what was once the famed James River and Kanawha Turnpike, a major east-west land route in the 1800's, now known as the Midland Trail. The current name of Hawks Nest comes from the osprey, a raptor that once nested in the face of the cliffs overlooking the New River. A C&O Railroad depot, post office and store once stood where Mill Creek flows into the New River. The latter building was remodeled into a hotel in 1870 and operated until destroyed by fire in 1902. In 1875, the Hawks Nest Coal Company, based in London, England, built a coal tipple and coke ovens where the lower tram building now stands.

In 1934 the Hawks Nest Dam was completed to provide water to a hydroelectric power plant downstream. The river is channeled into a 40 foot high tunnel that cuts through the mountain and was the site of the nation's worst industrial tragedy when as many as 1,500 workers died from silicosis, a disease of the lungs brought on by the silica dust from blasting the tunnel. In 1935 the state purchased the land around the overlook and the CCC camp based at Babcock State Park began construction of many of the present facilities including the picnic shelter, snack bar and souvenir shop, restrooms, museum and many stone walls. In 1963 the parks system purchased additional land and constructed the lodge and conference complex, which opened in 1967. The aerial tram was installed in 1970 to transport visitors to the river complex, which now includes gift shop, nature center, and restrooms, and is home to the New River Jet Boat concession.

A lease agreement was signed in 1999 transferring to state operation a 9-hole golf course, which was originally the private country club belonging to Union Carbide and later sold to Elkem Metals, near Gauley Bridge, WV. It is now the property of Brookfield Energy which recently bought Elkem. The course property includes a clubhouse, conference room, and a small maintenance shed for equipment.

In the summer of 2002 the New River National Park announced an extension of its boundary to include the New River Gorge property from the New River Bridge to Hawks Nest State Park. In doing so, this boundary extension will protect the view shed of Hawks Nest State Park from development. However, the encroachment of gated communities and upscale housing developments in the area may affect the Hawks Nest historical view. Though it appears that the recent economic downturn has delayed some of the housing developments, a new upscale area is being considered for development adjacent to the park. Hawks Nest has been awarded a trail grant, which will provide a connecting trail network from the tram station to the New River Gorge Visitor Center.



## **Business Management Issues and Trends**

### **Restaurant Operations**

The food service is operated by concessionaire, Rivers View Restaurant and Pam Strunk is the operator. In November 2009 Rivers View Restaurant will be terminating their concession contract and a new concessionaire will be on site effective November 1<sup>st</sup> or the restaurant will be returned to state operation.

This summer we began a complimentary continental breakfast for lodge guests. This has proven to be a very successful amenity and has helped improve the perception of our basic lodging services.

### **Wireless**

Summer 2009 also entered a new frontier for parks with total wireless internet available to all lodge guests free of charge. This service is a new form of recreation and communication.

A business center is also available in the lodge lobby for guests.

### **Smoke Free**

This summer the entire lodge and all public areas became smoke free. This new feature is a product of Fayette County Health Department regulations. The facility has seen many positive lodge guest comments appreciating the improved room air quality.

## **Golf Course Management Issues**

The golf course has been managed by the DNR/State of West Virginia since April 1999. In the past the course had been run for the use of Elkem employees. By the mid 1990's, it became quite clear that the membership could not maintain the course, and the infrastructure was in need of attention. The course was offered for sale to private operators, but no interest was generated. The State of West Virginia, DNR, was offered the property for a permanent lease of \$1.00, with the understanding that the property would be maintained as a golf course, with no major construction that might affect the tunnel which feeds the hydro station at Gauley Bridge. The lease arrangement received legislative endorsement and encouragement through a Budget Digest line item.

The course has been plagued by numerous floods since the state took control including one event that disrupted the golf course water supply for an extended period resulting in extensive die-off of turf. The watering system was replaced in 2002 but a great deal more remains to be done to

offset years of neglect prior to the state lease. Projects should include replacement of pro shop, improved public restrooms, compliance chemical storage, maintenance facility, fairway drainage, cart paths completion, and greens repair.

Since 2004, efforts have been concentrated on improved turf management to greens and tees condition. Three greens had to be totally rebuilt with new sod at a cost of over \$60,000, with aggressive soil amendment and new turf seeding projects.

Play continues to be lean even with aggressive discount packages for possible play.

Golf play has been extremely lean in the past two years. We attribute much of the loss in revenue and play due to loss of local players to regional 18-holes courses and limits on golfers time and money. Efforts to engage the lodge guests have not been successful due to distance, even with free green fees. Sufficient revenue has not been generated even with deep discounts and all you can play evening specials.

A recent legislative performance audit recommended the course lease be cancelled and the course returned to the control of its private corporate owner. DNR/Parks Management agrees with this recommendation. However, the Administration has not yet decided if this step will be taken.

#### **Marketing efforts have included:**

- Corporate sponsorships for employee work incentives
- Region sponsorships with prizes for golf tournaments
- Non-profit organization door prize donations
- Local TV and media promotions
- Sports articles in newspapers and television
- Local CVB promotions
- Park advertisements
- State Journal advertisement
- Free green fees to lodge guests
- All You Can Play, evening discount for weekday evenings

#### **Golf Repair and Improvement Projects**

Critical repairs and improvement projects to be scheduled:

##### **Club House**

- New club house/ check-in station is requested
- Building is in poor condition: roof repairs, plumbing, restrooms, ADA, energy efficient

### Maintenance area

New maintenance building construction  
Heated and dry work area  
Chemical storage  
Fuel Storage  
Employee safety work site  
Restrooms, shower room, drinking water, lunch room  
Chemical mix and loading area  
Wash bay  
Mechanics area  
Tool storage  
Equipment storage  
Dry supplies storage

### Parking Lot

Remove fill material and compact reset  
Replace creek tile  
Drainage  
Stone and asphalt paving  
Route 60 entrance drainage and entrance safety

### Course

Completion of cart paths  
Fairway drainage  
Greens and Tees  
Soil amendment and profile improve  
Drainage  
Bunker  
Drainage of fairways, and approaches  
Stabilization of erosion of approaches  
New sand in bunkers

## Current/Recent Projects and Improvements

Upgrade guest rooms HVAC and air handlers on 4<sup>th</sup> floor  
Replaced guest room balcony sliding doors  
Offer complementary wireless internet to all guest rooms and meetings  
Upgraded suites to king beds

### In progress

Lodge roof replacement  
Guest room keyless entry  
Stabilization of exterior headers and stairway

## **Major Needs**

### **Capital Improvements**

#### **Lodge expansion**

A 31-room lodge is not a particularly efficient size. The lodge would probably benefit from an expansion. At the request of local legislators, Parks will soon be doing an informal "in-house" analysis of potential return on an expansion investment as well as some construction estimates.

#### **Tram**

The aerial tram is probably approaching the end of its useful life and may need to be replaced within five to ten years, unless the decision would be made to eliminate the service entirely. An A/E study is ongoing to identify major needs.

Tram metal rope will need to be replaced next year.

#### **CCC Facility**

National historic register for preservation and restoration

Future consideration must be made to protect and repair the buildings

We have been awarded funds for repair and upgrade of walking trails to the overlook and picnic shelter. This project will also provide for ADA access to the historic facility.

#### **Golf maintenance building**

A new golf maintenance building is needed for storing and servicing grounds maintenance equipment and materials.

#### **Equipment**

Small backhoe with front end loader

Small cart for linen service – electric

Telephone system replacement

Two way radio base system – and mobile radios – 911 service

Greens walker mower

Security system for lodge

#### **Major Repairs and Alterations**

Lodge boiler upgrade for heating system

Chiller unit replacement

Lodge plumbing replacement

Lodge HVAC air handler replacements

Lodge electrical and lighting improvements

Lodge thermo-pane window/door replacement  
Paving golf course parking, service roads  
Continue cart paths  
Golf course drainage  
Continue reconstruction of greens  
Replace golf maintenance building facility

### **Personnel**

The park operates with 19 full-time employees.

- 1 Superintendent
- 1 Assistant Superintendent
- 1 Lodge Manager / group services coordinator
- 1 Maintenance Coordinator
- 3 Maintenance workers, including mechanic, carpenter and laborer.
- 1 Activities Coordinator /Naturalist
- 2 Clerical: Audit clerk and Office assistant
- 2 Retail clerk/buyer
- 2 Housekeepers (including one Lead Housekeeper)
- 4 Desk clerks (including supervisor)
- 1 Golf Facility Manager

Summer and seasonal staff includes cashiers, laborers, food and beverage service workers, grounds keepers, housekeepers and night security.

### **Superintendent's Comments**

Hawks Nest continues to be a quiet getaway, close enough to Charleston and Beckley to draw from those population centers as well as attracting regional meetings and reunions from Virginia and North Carolina. This facility is showing a plateau in growth with regional competition providing improved amenities and conference space. We have made small steps toward maintaining our active presence for group services such as facility wireless internet and golf packaging. Special dinner theater events continue to attract sell-out crowds to see local artist performances; the murder mystery theaters are always a favorite. Motor coach planners continue to use our facility as base camp for the New River region opportunities. However, a 31 room lodge is not sufficient for motor coach travel agents, and has resulted in lost revenue both in room sales as well as conference space use.

The Town of Ansted- Hawks Nest Rail Trail has been an exceptional attraction to the river and lodge guests. This bike trail runs from just south of Route 60 and follows Mill Creek to the Hawks Nest tramway and provides guests a looped bike trail with the tramway tying in the loop via an aerial shuttle. The bike trail also offers excellent nature interpretation resources for our Jetboat and tramway program for school groups each spring and fall. We are currently working with National Park Service and Town of Ansted for a cooperative trail project tie in the trail to New River Visitor Center at the Bridge.

The New River Jetboat, operated by Cindy Dragan, continues to be a positive source of revenue generation from guests looking for a tour of the New River that is less strenuous than rafting. The 14-passenger Jetboat provides an exhilarating ride up the New River and offers a special view of New River Bridge and the thrill of a few smaller rapids.

This facility continues to be the host for the Country Roads Festival, which is held each year in September by the Ansted Lions Club. The festival features a weekend of crafts, demonstration, quilting classes, craft and food sales, live blue grass, country and gospel music. The park also is the host for the Hawks Nest Foundation "Lights along the Midland Trail". The Christmas ornament display features hundreds of lighted ornaments located on the park and throughout the Ansted Community. The development of partnerships with local whitewater rafting companies has also developed lodge room night referrals and customer recreational opportunities, both of which enhance revenue growth.

We have noticed a dramatic change in recent years regarding our tourist traffic, most likely due to the economic climate. Guests are making fewer advance reservations for future stays and they are now bringing snacks and quick meals rather than making use of our food service. The guest is now budget conscious and no longer depends on the historic full service facility as once was a standard for vacation plans.

The prime location of this facility on the New River Gorge and ever increasing traffic on Route 19 makes this facility a key tourist attraction. Because Hawks Nest State Park is strategically located along the New River Gorge, in coming years we can position our property to grow along with the area with attention to these details and expansion of existing facilities.

## Statistical Trends

<b>Hawks Nest State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Attendance</b>	323,464	245,848	352,784
<b>Lodge Occupancy</b>	59.28%	57.54%	57.80%
<b>Operating Revenue</b>	737,976	698,743	721,291
<b>Operating Expenditures</b>	1,222,725	1,130,340	1,211,875
<b>Surplus/(Subsidy)</b>	(484,749)	(431,597)	(490,583)
<b>Self Sufficiency</b>	60%	62%	60%

### Three Year Revenue Comparison Hawks Nest State Park

<b>Revenue</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Coin Machine Concession	2,077	2,120	959
Facility Use Rental	1,147	-	-
Gift Shop Sales	190,873	195,652	197,804
Greens Fees	(450)	-	(548)
Lodge Rooms	461,735	451,999	473,791
Miscellaneous Collections	24,720	(90)	(8,808)
Miscellaneous Concessions	2,417	2,119	1,992
Picnic Shelter Fees	1,447	2,535	3,639
Restaurant Concession	2,515	5,883	1,645

<b>Revenue</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Restaurants	10,014	319	13,508
Tram	41,481	38,196	37,309
Vending Machines	-	10	-
<b>TOTAL OPERATING REVENUE</b>	<b>737,976</b>	<b>698,743</b>	<b>721,291</b>

### **Three Year Expense Comparison Hawks Nest State Park**

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Total Personal Services	565,573	548,002	567,392
Total Employee Benefits	224,501	227,977	244,157
<b>CURRENT EXPENSE</b>			
Office/Postal/Freight	7,543	5,429	5,778
Printing/Binding	31	298	1,593
Utilities	107,521	100,711	100,638
Telephone	17,764	21,423	24,250
Contract/Professional	13,359	7,976	20,096
Travel	309	1,129	2,180
IS&C/WV Net	662	331	247
Vehicle Rental	1,380	135	4,996
Machine Rentals	8,330	4,504	4,640
Association Dues	300	250	50
Clothing/Household	48,940	32,182	43,243
Advertising	1,733	3,847	4,151
Vehicle Maintenance Expense	4,930	4,885	5,821
Research/Education/Medical	-	-	108
Maintenance Contracts	5,175	5,565	5,075
Merchandise for Resale	127,354	82,563	108,562
Miscellaneous	662	916	1,287
Credit Card Processing Fees	11,247	10,610	9,325
Training	115	700	253



<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Miscellaneous Equipment	14,185	16,947	10,852
<b>TOTAL CURRENT EXPENSE</b>	<b>371,540</b>	<b>300,400</b>	<b>353,144</b>
<b>REPAIRS AND ALTERATIONS</b>			
Office Equipment	2,432	3,507	496
Building/House/Comm	8,754	23,029	11,450
Building Repairs/Alterations	10,421	17,753	8,811
Vehicle Repairs	998	1,021	768
Ground Improvements	5,378	3,951	6,432
Farm/Construction Equipment	2,621	180	1,306
Other Repairs/Alterations	30,506	4,519	17,919
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>61,111</b>	<b>53,960</b>	<b>47,182</b>
<b>EQUIPMENT</b>			
Office/Communication Equip	-	-	-
Household Equip/Furnishing	-	-	-
Vehicles	-	-	-
Other Equipment	-	-	-
<b>TOTAL EQUIPMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,222,725</b>	<b>1,130,340</b>	<b>1,211,875</b>

# SUMMARY OF OPERATIONS

## Babcock State Park

### Background Information

On October 11, 1934 the State of West Virginia purchased a plot of land from E.V. Babcock for two dollars per acre that became one of the earliest state parks. The first development of Babcock State Park was the result of the efforts of workers from the nearby Civilian Conservation Corps camp. In the three years after the initial land purchase in 1934, roads were built, trails cut and the first cabins and administration building were completed. The park officially opened on July 1, 1937.

In 1960 all cabins were renovated, a new water system developed, a 40 site campground built and other numerous improvements made. In 1965 an additional 410 acres were added to the park and a new 18-acre lake built. The lake was named for J.C. Boley, superintendent of Babcock from 1944 to 1956. In the late 60's and early 70's park development included a new boathouse and docks, new roads and parking lots, an upgraded water system, new restrooms and swimming pool.

Money was allocated in 1974 to build a water powered grist mill near the administration building. The mill was built from parts salvaged from two mills dating back to 1890. One mill was found in Pendleton County, the other in Pocahontas County. The two were combined to create the Glade Creek Grist Mill which was completed and opened in 1976, and has become one of the most photographed sites in the parks system if not the entire eastern United States.

### Resource Management Issues

A project to replace the sewage treatment plants located at the campground and headquarters facility is currently out for bid. The two new sewage treatment plants will be installed before the park's opening next spring.

The horse trails need some major renovations with a bulldozer and possibly a backhoe with tracks.

The swimming pool sewer plant will need replaced within the next few years.

## **Business Management Issues and Trends**

### **Concession Operations**

The current concessionaire for the horse stables has been operating this business for Babcock for a great number of years. This past year and the current year has been very slow with business falling off quite noticeably. Each year is getting leaner as the price of insurance policies, horse feed, and labor steadily increases. The concessionaire is considering closing down the business two weeks early this year, due to the lack of business and the high overhead costs. Horseback riding is still a popular activity and is requested quite often by our guests. It is hard to operate with the lack of business and the wet rainy summer we had this year. The current state of the economy seems to be negatively affecting the horse riding business here at Babcock S.P.

Our park staff works diligently with the concession operation to provide the best service to our guests.

### **Current/Recent Projects and Improvements**

New windows were installed in cabins 16-20

New windows were installed in Gift Shop

New sewage treatment plants being installed at the campground and the office

New handrail fabricated and installed (in-house) at Boley Lake

Repairs/replacement of wooden siding and support timbers at Glade Creek  
Grist Mill

All cabin roofs have been replaced and seamless gutter installed

Pool bathhouse and pool filter building siding replaced and new seamless  
gutter installed on bathhouse

Staining/Painting of Several Cabins have been completed with the remainder  
being completed early next year

Most cabin walkways were repaved or new wooden steps were constructed

### **Major Needs**

#### **Capital Improvements**

Restroom at Manns Creek

Campground expansion/group camp

Additional campground bathhouse

Activity/recreation building

Cabin woodsheds

Parking lot paving

Construction of two (2) additional picnic shelters w/electric

## **Equipment**

- 4 X 4 farm tractor
- Lawn tractor
- Snow plow for ¾ ton truck
- 4x4 full size SUV
- Two desktop computers

## **Major Repairs and Alterations**

- Re-roof old Supply House (Asbestos roofing)
- Re-roof Grist Mill with shake shingles
- 
- New windows for Park Headquarters
- Swimming Pool renovations (pool and deck)

## **Personnel**

Babcock operates with eight full time personnel including the superintendent and assistant superintendent, maintenance and office staff. Twenty six part time personnel include 12 summer workers for the pool, boat dock, campground, grist mill, and grounds maintenance, and 14 seasonal employees, mostly housekeepers for the cabins.

## **Superintendent's Comments**

Babcock is the epitome of the West Virginia State Park system's "traditional" parks. Even though many of the facilities date from the CCC era, the concerted effort of the maintenance staff to maintain and update them ensures that they are functional and will continue to serve the present users and future generations as well. Overall park revenues are running very near that of last year and staff is constantly trying to find new ways to increase revenue and self-sufficiency.

## Statistical Trends

<b>Babcock State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Attendance</b>	142,524	137,200	131,482
<b>Cabin Occupancy</b>	56.03%	57.14%	59.06%
<b>Campsite Occupancy</b>	36.01%	35.02%	36.57%
<b>Operating Revenue</b>	370,019	368,113	355,227
<b>Operating Expenditures</b>	681,849	653,251	670,320
<b>Surplus/(Subsidy)</b>	(311,830)	(285,138)	(315,093)
<b>Self Sufficiency</b>	54%	56%	53%

### Three Year Revenue Comparison Babcock State Park

<b>Revenue</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Boat Rental	7,005	6,639	5,549
Cabin Rentals	219,863	213,291	215,161
Campsite Rentals	61,923	65,262	65,636
Coin Laundry	674	812	852
Cot Rental	2,331	1,881	2,636
Equipment Rental	17	70	73
Firewood Sales	6,802	6,629	6,653
Gift Shop Sales	58,737	59,273	42,350
Miscellaneous Collections	142	(719)	(343)
Picnic Shelter Fees	2,809	2,319	2,324
Riding Stables	1,648	1,515	2,174
Snack/Comm/Souv.	419	366	474
Swimming Fees	6,714	7,618	7,544
Vending Machines	936	3,158	4,145

<b>Revenue</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>TOTAL OPERATING REVENUE</b>	<b>370,019</b>	<b>368,113</b>	<b>355,227</b>

### **Three Year Expense Comparison Babcock State Park**

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Total Personal Services	335,505	316,216	318,533
Total Employee Benefits	130,090	127,528	131,997
<b>CURRENT EXPENSE</b>			
Office/Postal/Freight	2,917	3,621	2,933
Printing/Binding	32	115	-
Utilities	84,713	68,415	71,467
Telephone	5,185	4,594	5,710
Contract/Professional	2,819	2,288	3,360
Travel	21	1,127	575
IS&C/WV Net	251	287	267
Vehicle Rental	208	-	-
Machine Rental	1,459	1,287	1,982
Association Dues	50	50	50
Clothing/Household	17,114	36,244	27,250
Advertising	-	-	100
Vehicle Maintenance Expense	24,362	16,021	20,507
Research/Edu/Medical	145	7	-
Maintenance Contracts	26,247	34,187	33,255
Miscellaneous	1,056	639	1,581
Credit Card Processing Fees	3,863	3,783	3,596
Training	-	-	63
Miscellaneous Equipment	8,965	7,787	10,738
<b>TOTAL CURRENT EXPENSES</b>	<b>179,406</b>	<b>180,453</b>	<b>183,435</b>

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>REPAIRS AND ALTERATIONS</b>			
Office Equipment	1,031	12	466
Building/Household/Comm	1,226	519	1,846
Building Repairs/Alterations	15,845	13,494	14,402
Vehicle Repairs	1,095	1,252	604
Ground Improvements	3,123	2,137	5,338
Farm/Construction Equipment	4,326	2,208	2,095
Other Repairs/Alterations	3,422	2,531	11,603
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>30,068</b>	<b>22,153</b>	<b>36,355</b>
<b>EQUIPMENT</b>			
House/Equipment Furnishings	-	6,901	-
Other Equipment	6,780	-	-
<b>TOTAL EQUIPMENT</b>	<b>6,780</b>	<b>6,901</b>	<b>-</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>681,849</b>	<b>653,251</b>	<b>670,320</b>

# **SUMMARY OF OPERATIONS**

## **Carnifex Ferry Battlefield State Park**

### **Background Information**

At 156 acres, Carnifex Ferry is one of the smaller parks in the West Virginia State Park system, but it is also one of the most historically important. On September 10, 1861, a significant Civil War battle was fought on this land, a battle that gave impetus to the movement to secede from the Commonwealth of Virginia and create a new, separate state of West Virginia. It is also of interest to note that two future Presidents of the United States took part in the battle, Major Rutherford B. Hayes and Private William McKinley.

In March 1931 a bill was passed creating a commission to survey the battlefield, locate important positions and erect markers to preserve the history of the site. In 1935 the area was purchased from the Patterson family and made a state park. Funds for improvements were not appropriated until 1950, when \$46,000 was made available for construction of the superintendent's house, a water well, restoration of the Patterson house, picnic facilities and a playground. By the 100 year anniversary of the battle, the park had become a day use area including picnic facilities, recreational equipment, nature and hiking trails, historical markers and scenic views. The first battle re-enactment took place on September 2, 1973. Other improvements since that time include a second restroom, four picnic shelters, park office, ball field, additional parking and water from a public service district. Civil War re-enactments have become a popular pastime in several states and Carnifex Ferry hosts a biannual event.

### **Current/Recent Projects and Improvements**

Construction of new restroom in picnic area  
Demolished one of the old restrooms and reclaimed site  
Moved shelter power supply to vending machine building so that the other old restrooms can be demolished  
Installed new playground in picnic area  
Installed two new water fountains in picnic area and ball field  
Renovated museum display cases  
Replacing windows and storm door in superintendents residence  
Removing old water tank  
Staining museum and gazebo  
Building a new wood shed  
Replacing furnace in Sign Shop



## **Major Needs**

### **Capital Improvements**

- Observation deck at main overlook
- Parking lot paving
- Picnic area pads in main picnic area

### **Equipment**

- Dust collection system for sign router
- Farm tractor that is capable of moving lumber for picnic table projects.

### **Major Repairs and Alterations**

- ADA improvements
- Museum displays
- Residence air conditioning
- Museum power supply

## **Personnel**

Carnifex Ferry Battlefield and Sign Shop operate with three full time employees and four part time employees. The full time staff is made up of one superintendent and two carpenters. Our part time staff consists of one sign maker, two grounds maintenance, and one museum attendant.

## **Superintendent's Comments**

Carnifex Ferry Battlefield State Park provides a variety of recreation opportunities as well as offering a unique glimpse of history. With the addition of the new restroom and playground we are seeing an increase in family visitation and shelter rentals. Various living history demonstrations and the bi-annual battle reenactments also draw large crowds. Approximately 1,500 spectators turned out for this year's reenactment.

The Patterson House Museum, which is open on weekends and holidays from Memorial Day to Labor Day, has benefited greatly from the increase in visitation. Gift shop sales in FY 2009 have seen an increase of 18% over FY 2008. At this time gift shop sales for FY 2010 are 25% higher than total sales in FY 2009.

The Sign Shop continues to provide important services to the entire state park system. Besides making all of the signs for all of our state parks we have also recently started making picnic tables during the winter months that are distributed on an as needed basis. Last winter we made and distributed a total of 800 standard tables. We hope to make 600 standard picnic tables and 150 ADA accessible tables starting in January 2010.

## Statistical Trends

<b>Carnifex Ferry Battlefield State Park</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Attendance</b>	48,615	48,643	50,811
<b>Operating Revenue</b>	9,387	8,448	8,931
<b>Operating Expenditures</b>	207,499	215,438	214,687
<b>Surplus/(Subsidy)</b>	(198,112)	(206,990)	(205,756)
<b>Self Sufficiency</b>	5%	4%	4%

### Three Year Revenue Comparison Carnifex Ferry Battlefield State Park

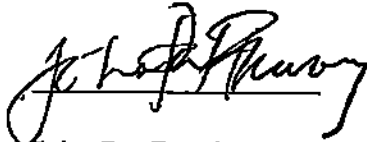
<b>Revenue</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Gift Shop Sales	1,808	1,506	2,057
Gifts/Bequests	2	2	26
Miscellaneous Collections	115	227	224
Picnic Shelter Fees	6,846	6,334	6,039
Vending Machines	615	379	585
<b>TOTAL OPERATING REVENUE</b>	<b>9,387</b>	<b>8,448</b>	<b>8,931</b>

## Three Year Expense Comparison Carnifex Ferry Battlefield State Park

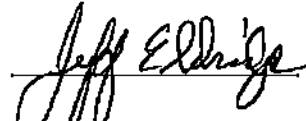
Expense	FY 2008	FY 2007	FY 2006
Total Personal Services	110,641	110,505	111,340
Total Employee Benefits	42,412	37,188	46,371
<b>CURRENT EXPENSE</b>			
Office/Postal/Freight	403	926	1,672
Printing/Binding	32	168	558
Utilities	10,414	10,442	10,288
Telephone	1,371	1,165	1,965
Contract/Professional	67	38	5
Travel	132	-	410
IS&C/WV Net	74	84	80
Vehicle Rental	0	1,500	-
Machine Rental	193	-	-
Association Dues	50	50	50
Clothing/Household	3,598	646	3,192
Advertising	-	-	59
Vehicle Maintenance Expense	4,168	2,799	4,881
Maintenance Contracts	130	260	260
Merchandise for Resale	1,511	1,382	1,104
Miscellaneous	289	-	1,628
Miscellaneous Equipment	416	125	1,108
<b>TOTAL CURRENT EXPENSE</b>	<b>22,847</b>	<b>19,585</b>	<b>27,261</b>
<b>REPAIRS AND ALTERATIONS</b>			
Building/Household/Comm	183	507	-
Building Repairs/Alterations	2,580	717	2,811
Vehicle Repairs	491	-	-

<b>Expense</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Ground Improvements	2,344	10,606	2,877
Farm/Construction Equipment	2,223	1,374	1,338
Other Repairs/Alterations	23,778	28,957	22,689
<b>TOTAL REPAIRS AND ALTERATIONS</b>	<b>31,599</b>	<b>42,162</b>	<b>29,715</b>
<b>EQUIPMENT</b>			
Other Equipment	-	5,998	-
<b>TOTAL EQUIPMENT</b>	<b>-</b>	<b>5,998</b>	<b>-</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>207,499</b>	<b>215,438</b>	<b>214,687</b>

Respectfully submitted,



John Pat Fanning  
Chair  
State Senate



Jeff Eldridge  
Chair  
House of Delegates

## INTERIM COMMITTEE REPORTS — 2009

**Agriculture and Agri-business Committee** (Senator White and Delegate Argento, Chairs)  
**Joint Commission on Economic Development** (Senator Browning and Delegate Kominar, Chairs)  
**Equal Pay Commission** (Senator Palumbo and Delegate Mahan, Chairs)  
**Joint Standing Committee on Finance** (Senator Helmick and Delegate White, Chairs)  
**Finance Subcommittee C** (Senator McCabe and Delegate Kominar, Chairs)  
**Forest Management Review Commission** (Senator Helmick and Delegate Michael, Chairs)  
**Commission on Interstate Cooperation** (Senator Jenkins and Delegate Doyle, Chairs)  
**Parks, Recreation and Natural Resources Subcommittee** (Senator Fanning and Delegate Eldridge, Chairs)  
**Joint Standing Committee on Pensions and Retirement** (Senator Foster and Delegate Spencer, Chairs)  
**Select Committee on Infrastructure** (Senator Unger and Delegate Martin, Chairs)  
**Select Committee on PEIA, Seniors and Long Term Care** (Senator Unger and Delegate Williams, Chairs)  
**Select Committee on Veterans' Issues** (Senator Wells and Delegate Fleischauer, Chairs)  
**Legislative Oversight Commission on Workforce Investment for Economic Development** (Senator McCabe and Delegate Kominar, Chairs)

NOTE: The following reports are attached but were not available for distribution at the meeting:

**Finance Subcommittee A** (Senator Bowman and Delegate Campbell, Chairs)  
**Finance Subcommittee B** (Senator Helmick and Delegate White, Chairs)  
**Joint Standing Committee on Government Organization** (Senator Bowman and Delegate Morgan)  
**Legislative Oversight Commission on Health and Human Resources Accountability** (Senator Prezioso and Delegate Perdue, Chairs)  
**Select Committee on Children, Juveniles and Other Issues** (Senator Prezioso and Delegate Mahan, Chairs)  
**Select Committee on Health** (Senator Prezioso and Delegate Perdue, Chairs)



WEST VIRGINIA LEGISLATURE  
STATE CAPITOL  
CHARLESTON, WEST VIRGINIA 25305

## *Interim Committee on Agriculture & Agribusiness*

Interim Report to the Joint Committee on Government and Finance  
January, 2010

### Senate Members

Senator White, Chair  
Senator Laird  
Senator Minard  
Senator Snyder  
Senator Williams  
Senator Facemyer

### House Members

Delegate Argento, Chair  
Delegate Talbott, Vice Chair  
Delegate Guthrie  
Delegate Miller, C.  
Delegate Paxton  
Delegate Pothel  
Delegate Swartzmiller  
Delegate Tabb  
Delegate Williams  
Delegate Anderson  
Delegate Evans  
Delegate Ireland  
Delegate Schoen

---

The Interim Committee on Agriculture & Agribusiness makes the following report to the Joint Committee on Government and Finance for the period of July 2009 through December 2009.

### July 2009

Jean Smith, Director, Marketing and Development, WVDA, gave a presentation of how farmer's markets are funded and the federal dollars used on senior citizen vouchers and what constitutes an approved farmer's market when giving out vouchers.

### August 2009 - VISITATION

During the August interims, a site visitation was conducted at the farmer's market in Charleston. Prior to touring the farmer's market, Gus Douglas, Commissioner of Agriculture, gave an opening presentation to the committee regarding the farmer's market.

September 2009

Jennifer Williams, Director of Agriculture & Natural Resources WVU Extension Service, gave a presentation to the committee regarding local foods and farmer's markets. The committee also heard testimony from others: Tom McConnel from the WVU Extension Service; Brian Sparks, WVU extension service in Nicholas & Fayette Counties; Gary Raking, WVU Extension Service in Upshur County and Rachael Moran, a WV farmer, and owner of Moran Farm Market.

October 2009

Paul Poling, Apiary Specialist, WV Department of Agriculture, presented the committee with an update on the status of honey bees in the state.

November 2009

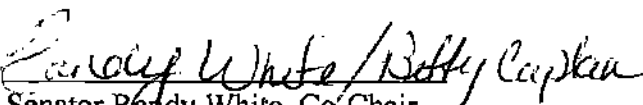
The Interim Committee on Agriculture & Agri-business was cancelled on Wednesday, November 18, 2009, at 7:00 pm., due to Special Session.

December 2009

Steve Hannah, Deputy Commissioner, WVDA, discussed West Virginia's top 10 agricultural commodities.

The Committee requested additional information from several of the aforementioned presenters and all handouts and information contained in the minutes for the meetings are on file in the office of the Interim Committee on Agriculture & Agribusiness.

Respectfully Submitted,

  
Senator Randy White, Co-Chair

\_\_\_\_\_  
Delegate Sam Argento, Co-Chair



**WEST VIRGINIA LEGISLATURE**  
**Joint Commission on Economic Development**

**FINAL REPORT**

to  
**Joint Committee on Government and Finance**  
**2009-2010 Interims**  
**January 12, 2010**

**Members**

**Senate**

Senator Richard Browning, Chair  
Senator Walt Helmick  
Senator Jeffrey V. Kessler  
Senator Brooks McCabe  
Senator Michael A. Oliverio, II  
Senator Robert H. Plymale  
Senator Roman W. Prezioso, Jr  
Senator Ron Stollings  
Senator John R. Unger, II  
Senator Clark S. Barnes  
Senator Don Caruth  
Senator Karen L. Facemyer

**House**

Delegate K. Steven Kominar, Chair  
Delegate Larry W. Barker, Vice Chair  
Delegate Thomas W. Campbell  
Delegate Kevin J. Craig  
Delegate Orphy Klempa  
Delegate Daniel Poling  
Delegate Mary M. Poling  
Delegate Carrie Webster  
Delegate Harry Keith White  
Delegate Craig P. Blair  
Delegate Mitch Carmichael  
Delegate Bill Hamilton  
Delegate Ron Walters (nonvoting)

Your Joint Commission on Economic Development was appointed following the 2009 Regular Session of the Legislature. Section 5, Article 3, Chapter 5B of the Code of West Virginia requires that the Commission:

(1) Study the feasibility of establishing common regional configurations for such purposes as local workforce investment areas, regional educational service agencies and for all other purposes the commission considers feasible as well as review the existing levels of cooperation between state and local economic developers;

(2) Study the effectiveness and fiscal impact of incentives for attracting and growing businesses, especially technology-intensive companies; and

(3) Review existing economic and community development resources that would allow the states to successfully complete in the new global economy.

During the 2009-2010 Interim Meetings of the Legislature, in accordance with these

requirements and the authority given to the Commission pursuant to Section 2, Article 3, Chapter 5B of the West Virginia Code, Your Commission has met and studied topics:

SCR 4: How West Virginia can be positioned as a national leader in research, innovation and commercialization of gray energy and energy efficiency technologies, product and process

SCR 51: The potential beneficial use of alternative fuels and biofuels by state government and private industry

SCR 53: The State Rail Plan and the possible expansion of the plan, in addition to the funding, manpower, compliance issues regarding short-line railroads and the possible need for increased authority of the State Rail Authority

SCR 54: Public Policy initiatives that promote the development and implementation of green buildings standards, green energy workforces and energy demand-side management in the public and private sectors , as well as potential tax credits

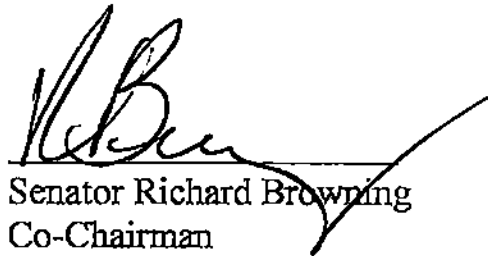
## **RECOMMENDATIONS:**

Your Commission **RECOMMENDS** that the study of a potential legislation impacting the private sector using dynamic scoring, focusing the cause and effect of economic development policies before their implementation.

Your Commission **RECOMMENDS** the study of post-mining land use and the requirement for the development of a master land use plan.

Your Commission **FURTHER RECOMMENDS** the study potential concerns and opportunities between the coal industry and the Environmental Protection Agency (EPA).

Respectfully Submitted,



Senator Richard Browning  
Co-Chairman



Delegate Steve Kominar  
Co-Chairman



**WEST VIRGINIA LEGISLATURE**  
**CHARLESTON, WV**

**WEST VIRGINIA LEGISLATURE'S**  
**EQUAL PAY COMMISSION**

**COREY PALUMBO**  
Senate Co-Chairman

**VIRGINIA MAHAN**  
House Co-Chairwoman

---

**INTERIM REPORT TO THE**  
**WEST VIRGINIA LEGISLATURE'S JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
**January 12, 2010**

**Senate Members**  
Senator Palumbo, Chair  
Senator Hall

**House Members**  
Delegate Mahan, Chair  
Delegate Klempa  
Delegate Fleischauer  
(*nonvoting*)

**Citizen Members**  
Rita Albury  
Tara Martinez  
Jan Hoke

The West Virginia Legislature's Equal Pay Commission met each month during the 2009/2010 interim period, beginning in June 2009 and ending January 2010, to conduct business regarding compensation equity throughout the state government workforce.

The Commission, as Chaired by Senator Corey Palumbo and Delegate Virginia Mahan, received and considered testimony from various state agencies individuals as follows:

**Dr. Mohamad Alkaldry**  
**Associate Professor, Old Dominion University**

Dr. Alkaldry presented information to the Commission regarding his extensive research into various personnel issues in the state government of West Virginia and provided recommendations to the Equal Pay Commission based on his findings.

**Ms. Tari Crouse**  
**West Virginia Division of Personnel**

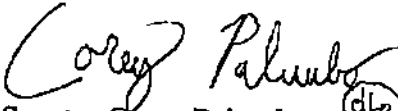

Ms. Crouse presented information regarding the Division of Personnel's annual report of pay equity within state government.

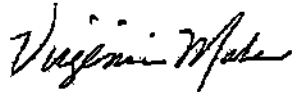
The Equal Pay Commission also received recommendations from Ms. Crouse and the

Division of Personnel as to how best to divide the annual appropriation of \$250,000 to decrease compensation gaps in specific state job classifications. The Commission unanimously adopted and approved the recommendations as presented to them.

The Equal Pay Commission also received extensive testimony from counsel on possible legislative initiatives.

Respectfully submitted,

  
Senator Corey Palumbo 

  
Delegate Virginia Mahan

**West Virginia Legislature  
Joint Standing Committee on Finance  
2009 - 2010 Interims**

**FINAL REPORT OF  
THE JOINT STANDING COMMITTEE ON FINANCE  
TO THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
January 12, 2010**

Your Joint Standing Committee on Finance was assigned the interim study of the following topics during the 2009-2010 legislative interim period:

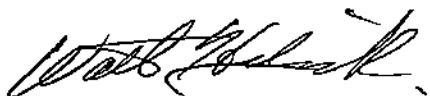
- *HCR 77 - Requesting a study of compensating state troopers for off-duty time when required to be on standby to be called back to work.*
- *State staffing levels and pay rates.*
- *Study of the cost-effectiveness of various youth programs, including but not limited to incarceration prevention, credit recovery, drug rehabilitation and drop-out prevention by diversion to vo-tech programs.*
- *SCR 57 - Requesting Joint Committee on Government and Finance study proposed new state business and occupation tax on high-voltage electric power transmission lines.*
- *SCR 59 - Requesting Joint Committee on Government and Finance study improving and updating severance tax on natural gas and oil.*
- *Tax issues generally.*
- *Monies received and expended under the Federal American Recovery and Reinvestment Act of 2009.*
- *Other Post Employment Benefits (OPEB)*
- *State and Local Financing Issues Generally*

Your Committee reports that in addition to the foregoing matters, presentations have been received from the State Budget Office, Department of Revenue, regarding the financial status of the

State at the close of Fiscal Year 2008 - 2009; from the Director of the Public Employees Insurance Agency providing a review of current issues relating to Other Post Employment Benefits (OPEB); from the Executive Director of the King Coal Highway Authority providing a review of mission, goals and accomplishments of the Authority; from Dr. Tom S. Witt, Director of the West Virginia University College of Business and Economics Bureau of Business and Economic Research, reporting on the Bureau's study, as commissioned by the Legislature, of the State's future challenges for financing its roadway and bridge infrastructure, as more fully set forth in the Bureau's formal report entitled *Financing West Virginia's Highways: Challenges and Opportunities*, and from the Project Developer and Asset Manager of the Stonewall Resort providing a review of the facility's progress.

The each of the assigned issues itemized above have been considered by Subcommittees A, B and C of Your Committee, and the reports and recommendations of its subcommittees on those matters have been received and adopted by the full Joint Committee on Finance. All of those reports and recommendations, having been so adopted, are made a part of and submitted with this report to the Joint Committee on Government and Finance for its consideration. Additionally, the aforesaid report of the West Virginia University Bureau of Business and Economic Research, when published and received in final form by Your Committee, will likewise be forwarded and made a part of this report to the Joint Committee on Government and Finance for its consideration.

Respectfully Submitted,



Senator Walt Helmick  
Co-Chairman



Delegate Harry Keith White  
Co-Chairman

**West Virginia Legislature  
Joint Standing Committee on Finance  
2009 - 2010 Interims**

**Subcommittee A**

Senate Members:

Senator Bowman, Chair  
Senator Prezioso  
Senator Unger  
Senator White  
Senator Guills  
Senator Helmick, Ex Officio

House Members:

Delegate Campbell, Chair  
Delegate Iaquinta  
Delegate Perdue  
Delegate Reynolds  
Delegate Varner  
Delegate Ashley  
Delegate Blair  
Delegate Border

**FINAL REPORT OF**

**SUBCOMMITTEE A**

**TO THE JOINT STANDING COMMITTEE ON FINANCE  
January 12, 2010**

Your Subcommittee A was appointed following the 2009 Regular Session and assigned the following topics for study during the interim period:

**\*HCR 77-Requesting a study of compensating state troopers for off-duty time when required to be on standby to be called back to work.**

**\*State staffing levels and pay rates.**

During the 2009-2010 Legislative interim period, Subcommittee A met and received information on these topics of study from the following state agencies, political subdivisions and other sources:

Delegate Sharon Spencer, representatives from the Division of Personnel, Consultants from the Hay Group, representatives from the West Virginia State Police, and a representative from the West Virginia Troopers Association.

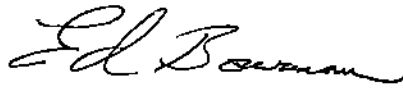
Regarding **HCR 77 (Requesting a study of compensating state troopers for**



off-duty time when required to be on standby to be called back to work), Subcommittee A **RECOMMENDS** that the Legislature continue to monitor the budgeted levels of compensation for State Troopers on both overtime and call-back duties.

Regarding state staffing levels and pay rates, Subcommittee A **RECOMMENDS** that the Legislature continue to monitor the Hay Group's evaluation and restructuring of the Division of Personnel's employee classification system.

Respectfully Submitted,



Senator Ed Bowman  
Co-Chair



Delegate Tom Campbell  
Co-Chair

**West Virginia Legislature**  
**Joint Standing Committee on Finance**  
**2009 - 2010 Interims**  
**Subcommittee B**

**Senate Members:**

Senator Helmick, Chair  
Senator Fanning  
Senator McCabe  
Senator Plymale  
Senator Wells  
Senator Boley  
Senator Facemyer

**House Members:**

Delegate White, Chair  
Delegate Craig  
Delegate Doyle  
Delegate Eldridge  
Delegate Guthrie  
Delegate Marshall  
Delegate Spencer  
Delegate Carmichael  
Delegate Evans

**FINAL REPORT OF**  
**SUBCOMMITTEE B**

**TO THE JOINT STANDING COMMITTEE ON FINANCE**  
**January 12, 2010**

Your Subcommittee B was appointed following the 2009 Regular Session and assigned the following topics for study during the interim period:

**\*SCR 57 - Requesting Joint Committee on Government and Finance study proposed new state business and occupation tax on high-voltage electric power transmission lines.**

**\*SCR 59 - Requesting the Joint Committee on Government and Finance study improving and updating severance tax on natural gas and oil.**

**\*Tax issues generally.**

**\*Monies received and expended under the Federal American Recovery and Reinvestment Act of 2009.**

During the 2009-2010 Legislative interim period, Subcommittee B met and received information on these topics of study from the following state agencies, political subdivisions and other sources:

Representatives from the West Virginia Division of Energy, the West Virginia Environmental Council, General Counsel of the Office of the Governor, General Counsel of the Public Service Commission, Calhoun County resident Bill Howley, the State Budget Office of the West Virginia Department of Revenue, the American Recovery and Reinvestment Act of 2009 Coordinator in the Office of the Governor, the West Virginia State Tax Department, the West Virginia Chamber of Commerce, the County Commissioners' Association of West Virginia, the West Virginia Association of Counties, and the West Virginia County Assessors Association.

Based on the testimony presented, Subcommittee B makes the following recommendations:

Regarding **SCR 57 (Requesting Joint Committee on Government and Finance study proposed new state business and occupation tax on high-voltage electric power transmission lines)**, Subcommittee B **RECOMMENDS** that the Legislature continue to monitor the Public Service Commission's consideration of the application to approve the electric power transmission lines, and to further examine any renewed proposal to impose a state tax on the transmission of electricity through the lines.

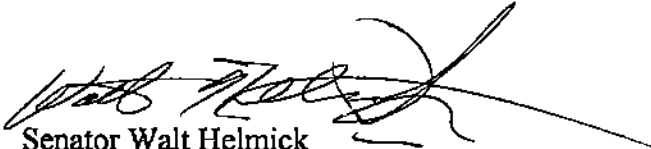
Regarding **monies received and expended under the Federal American Recovery and Reinvestment Act of 2009**, Subcommittee B **RECOMMENDS** that the Legislature continue to enact all legislation necessary to effect the expenditure of available federal "stimulus" funds in the manner that maximizes job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization in the State of


West Virginia, and that at the conclusion of the 2010 Regular Session, the study of this matter again be referred to your Subcommittee B..

Regarding the proposals of the West Virginia Chamber of Commerce to amend the statutory property tax appeals process, Subcommittee B RECOMMENDS that the Legislature continue to monitor the efforts of the Chamber and the various administrating public officials to reach accord on the various details of the proposals as they continue to meet and discuss the details of the proposals which were initiated in Senate Bill 484 during the 2009 Regular Session and which have evolved as the result of the good faith exchange of ideas and information throughout this interim period.

Subcommittee B RECOMMENDS the continued study of the administration of the severance tax on natural gas and oil, and other tax issues generally.

Respectfully Submitted,

  
Senator Walt Helmick  
Co-Chair

  
Delegate H. K. White  
Co-Chair

**West Virginia Legislature**  
**Joint Standing Committee on Finance**  
**2009 - 2010 Interims**  
**Subcommittee C**

**Senate Members:**

Senator McCabe, Chair  
Senator Chafin  
Senator Edgell  
Senator Facemire  
Senator Green  
Senator Sypolt  
Senator Helmick, *Ex Officio*

**House Members:**

Delegate Kominar, Chair  
Delegate Klempa  
Delegate Mahan  
Delegate Manchin  
Delegate Phillips  
Delegate M. Poling  
Delegate Anderson  
Delegate Walters  
Delegate White, *Ex Officio*

**FINAL REPORT OF**  
**SUBCOMMITTEE C**

**TO THE JOINT STANDING COMMITTEE ON FINANCE**  
**January 12, 2010**

Your Subcommittee C was appointed following the 2009 Regular Session and assigned the following topics for study:

**\*Other Post Employment Benefits (OPEB)**

**\*State and local financing issues generally**

During the 2009-2010 Legislative interim period, Subcommittee C met monthly, except for those months in which the Legislative interim schedule was interrupted by Special Sessions, and received information on the above-stated topics of study from the following state agencies, political subdivisions and other sources: representatives from the West Virginia Public Employees Insurance Agency; the Department of Health and Human Resources; the Public Resources Advisory Group


(PRAG); the American Federation of Teachers; the West Virginia Municipal League; the West Virginia Association of Counties; the West Virginia County Commissioners' Association; the West Virginia Public Transit Association; and local Public Service Districts.


Based on the testimony presented, Subcommittee C makes the following findings and recommendations:

Subcommittee C **FINDS** that the most critical financial issue facing the state and local governments is the OPEB liability, believed to be between \$4 billion and \$8 billion and growing.

Therefore, Subcommittee C **RECOMMENDS** that the Legislature examine: (1) the actuarial report prepared at the request of PEIA by CCRC Actuaries; (2) the actuarial study prepared by AON Consulting on behalf of the AFT, CWA, AFSCME and UMWA; and (3) the recommendations made by Ted Cheatham, Director, West Virginia Public Employees Insurance Agency in his presentation entitled "How Do You Solve OPEB?" given to the subcommittee in August 2009; and that the Legislature consider appropriate legislation during the 2010 Regular Session to address the current OPEB liability and limit future liabilities.

Respectfully Submitted,

  
Senator Brooks McCabe  
Co-Chair

  
Delegate Steve Kominar  
Co-Chair

**West Virginia Legislature  
Joint Standing Committee on Finance  
2009 - 2010 Interims**

**Subcommittee A**

Senate Members:

Senator Bowman, Chair  
Senator Prezioso  
Senator Unger  
Senator White  
Senator Gulls  
Senator Helmick, Ex Officio

House Members:

Delegate Campbell, Chair  
Delegate Iaquinta  
Delegate Perdue  
Delegate Reynolds  
Delegate Varner  
Delegate Ashley  
Delegate Blair  
Delegate Border

**FINAL REPORT OF**

**SUBCOMMITTEE A**

**TO THE JOINT STANDING COMMITTEE ON FINANCE  
January 12, 2010**

Your Subcommittee A was appointed following the 2009 Regular Session and assigned the following topics for study during the interim period:

**\*HCR 77-Requesting a study of compensating state troopers for off-duty time when required to be on standby to be called back to work.**

**\*State staffing levels and pay rates.**

During the 2009-2010 Legislative interim period, Subcommittee A met and received information on these topics of study from the following state agencies, political subdivisions and other sources:

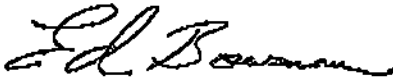
Delegate Sharon Spencer, representatives from the Division of Personnel, Consultants from the Hay Group, representatives from the West Virginia State Police, and a representative from the West Virginia Troopers Association.

Regarding HCR 77 (Requesting a study of compensating state troopers for

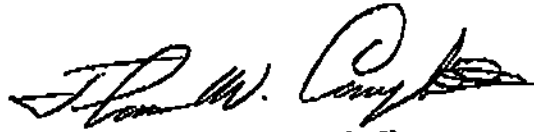
off-duty time when required to be on standby to be called back to work), Subcommittee A **RECOMMENDS** that the Legislature continue to monitor the budgeted levels of compensation for State Troopers on both overtime and call-back duties.

Regarding state staffing levels and pay rates, Subcommittee A **RECOMMENDS** that the Legislature continue to monitor the Hay Group's evaluation and restructuring of the Division of Personnel's employee classification system.

Respectfully Submitted,



Senator Ed Bowman  
Co-Chair



Delegate Tom Campbell  
Co-Chair



**West Virginia Legislature**  
**Joint Standing Committee on Finance**  
**2009 - 2010 Interims**  
**Subcommittee B**

**Senate Members:**

Senator Helmick, Chair  
Senator Fanning  
Senator McCabe  
Senator Plymale  
Senator Walls  
Senator Boley  
Senator Facemyer

**House Members:**

Delegate White, Chair  
Delegate Craig  
Delegate Doyle  
Delegate Eldridge  
Delegate Guthrie  
Delegate Marshall  
Delegate Spencer  
Delegate Carmichael  
Delegate Evans

**FINAL REPORT OF**

**SUBCOMMITTEE B**

**TO THE JOINT STANDING COMMITTEE ON FINANCE**  
**January 12, 2010**

Your Subcommittee B was appointed following the 2009 Regular Session and assigned the following topics for study during the interim period:

**\*SCR 57 - Requesting Joint Committee on Government and Finance study proposed new state business and occupation tax on high-voltage electric power transmission lines.**

**\*SCR 59 - Requesting the Joint Committee on Government and Finance study improving and updating severance tax on natural gas and oil.**

**\*Tax issues generally.**

**\*Monies received and expended under the Federal American Recovery and Reinvestment Act of 2009.**

During the 2009-2010 Legislative interim period, Subcommittee B met and received information on these topics of study from the following state agencies, political subdivisions and other sources:

Representatives from the West Virginia Division of Energy, the West Virginia Environmental Council, General Counsel of the Office of the Governor, General Counsel of the Public Service Commission, Calhoun County resident Bill Howley, the State Budget Office of the West Virginia Department of Revenue, the American Recovery and Reinvestment Act of 2009 Coordinator in the Office of the Governor, the West Virginia State Tax Department, the West Virginia Chamber of Commerce, the County Commissioners' Association of West Virginia, the West Virginia Association of Counties, and the West Virginia County Assessors Association.

Based on the testimony presented, Subcommittee B makes the following recommendations:

Regarding **SCR 57 (Requesting Joint Committee on Government and Finance study proposed new state business and occupation tax on high-voltage electric power transmission lines)**, Subcommittee B **RECOMMENDS** that the Legislature continue to monitor the Public Service Commission's consideration of the application to approve the electric power transmission lines, and to further examine any renewed proposal to impose a state tax on the transmission of electricity through the lines.

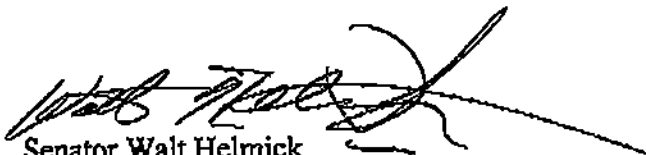
Regarding **monies received and expended under the Federal American Recovery and Reinvestment Act of 2009**, Subcommittee B **RECOMMENDS** that the Legislature continue to enact all legislation necessary to effect the expenditure of available federal "stimulus" funds in the manner that maximizes job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization in the State of

West Virginia, and that at the conclusion of the 2010 Regular Session, the study of this matter again be referred to your Subcommittee B..

Regarding the proposals of the West Virginia Chamber of Commerce to amend the statutory property tax appeals process, Subcommittee B RECOMMENDS that the Legislature continue to monitor the efforts of the Chamber and the various administrating public officials to reach accord on the various details of the proposals as they continue to meet and discuss the details of the proposals which were initiated in Senate Bill 484 during the 2009 Regular Session and which have evolved as the result of the good faith exchange of ideas and information throughout this interim period.

Subcommittee B RECOMMENDS the continued study of the administration of the severance tax on natural gas and oil, and other tax issues generally.

Respectfully Submitted,

  
Senator Walt Helmick  
Co-Chair

  
Delegate H. K. White  
Co-Chair

**West Virginia Legislature**  
**Joint Standing Committee on Finance**  
**2009 - 2010 Interims**  
**Subcommittee C**

**Senate Members:**

Senator McCabe, Chair  
Senator Chafin  
Senator Edgell  
Senator Faemire  
Senator Green  
Senator Sypolt  
Senator Helmick, *Ex Officio*

**House Members:**

Delegate Kominar, Chair  
Delegate Klempa  
Delegate Mahan  
Delegate Manchin  
Delegate Phillips  
Delegate M. Poling  
Delegate Anderson  
Delegate Walters  
Delegate White, *Ex Officio*

**FINAL REPORT OF**  
**SUBCOMMITTEE C**

**TO THE JOINT STANDING COMMITTEE ON FINANCE**  
**January 12, 2010**

Your Subcommittee C was appointed following the 2009 Regular Session and assigned the following topics for study:

- \*Other Post Employment Benefits (OPEB)**
- \*State and local financing issues generally**

During the 2009-2010 Legislative interim period, Subcommittee C met monthly, except for those months in which the Legislative interim schedule was interrupted by Special Sessions, and received information on the above-stated topics of study from the following state agencies, political subdivisions and other sources: representatives from the West Virginia Public Employees Insurance Agency; the Department of Health and Human Resources; the Public Resources Advisory Group

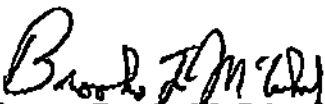
(PRAG); the American Federation of Teachers; the West Virginia Municipal League; the West Virginia Association of Counties; the West Virginia County Commissioners' Association; the West Virginia Public Transit Association; and local Public Service Districts.

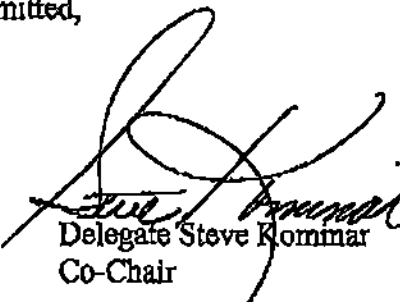
Based on the testimony presented, Subcommittee C makes the following findings and recommendations:

Subcommittee C **FINDS** that the most critical financial issue facing the state and local governments is the OPEB liability, believed to be between \$4 billion and \$8 billion and growing.

Therefore, Subcommittee C **RECOMMENDS** that the Legislature examine: (1) the actuarial report prepared at the request of PEIA by CCRC Actuaries; (2) the actuarial study prepared by AON Consulting on behalf of the AFT, CWA, AFSCME and UMWA; and (3) the recommendations made by Ted Cheatham, Director, West Virginia Public Employees Insurance Agency in his presentation entitled "How Do You Solve OPEB?" given to the subcommittee in August 2009; and that the Legislature consider appropriate legislation during the 2010 Regular Session to address the current OPEB liability and limit future liabilities.

Respectfully Submitted,

  
Senator Brooks McCabe  
Co-Chair

  
Delegate Steve Kommar  
Co-Chair

## ***2009-2010 ANNUAL REPORT***

### ***Forest Management Review Commission***

Pursuant to Section 7, Article 24, Chapter 5 of the Code of West Virginia, the West Virginia Forest Management Review Commission (FMRC) makes the following report to the Joint Committee on Government and Finance for the period of June 2009 through January 2010.

#### **June 2009**

Greg Cook, Deputy State Forester, gave a presentation of regarding the forest strategic plan for West Virginia's primary forestry industries which included: Primary Forest Industries, Secondary Forests and Forest Damages.

#### **July 2009**

Randy Dye, Director, Division of Forestry discussed Silviculture as part of his ongoing presentation on the development of a strategic plan for West Virginia forests.

#### **August 2009**

Randy Dye, Director, Division of Forestry, discussed the current status of forest-products industries.

Mark Morton, General Counsel, Department of Revenue, discussed timber severance tax, the moratorium of the severance tax, and tax credits.

Kelly Goes, Secretary of Commerce, discussing the role of Commerce in assisting forest-products industries. Questions and answers followed.

#### **September 2009**

Shaun Grushecky, from the Appalachian Hardwood Center (AHC) gave a presentation.

Steve Milauskas, from the Wood Education Research Center (WERC) gave a presentation.

Jen Govannitti, from the West Virginia Wood Technical Center gave a presentation.

#### **October 2009**

Ben Webster, Assistant State Forester, discussed West Virginia's Fire Protection Program.

Randy Dye, West Virginia State Forester, discussed Forestry and Wildlife Management.

November 2009

Bill Luppold, USFS, from Princeton, West Virginia, gave a presentation and slide show on the state of the hardwood industry in the world market.

Randy Dye, West Virginia State Forester, gave a presentation and slide show on the status of the West Virginia Forest Products Industry. He also handed out on the last two papers from the Strategic Plan.

December 2009

Greg Cook, Deputy State Forester addressed the status of the strategic plan completion.

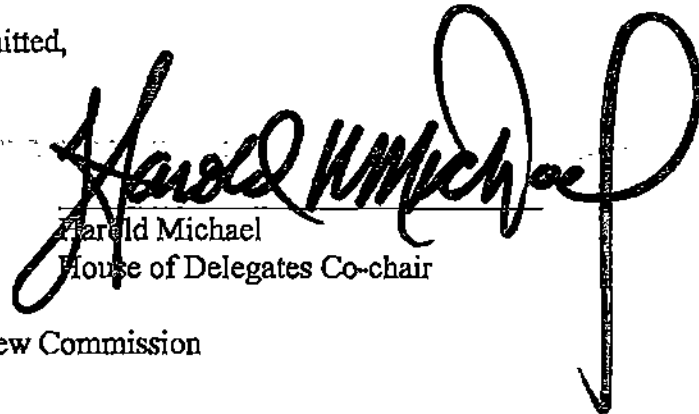
Rick Sypolt, Director of Glenville State College Forestry Program, provided a summary of their forestry degree program and accomplishments.

The Committee requested additional information from several of the aforementioned presenters and all handouts and information contained in the minutes for the meetings are on file in the office of the Interim Committee.

Respectfully submitted,



Walt Helmick  
Senate Co-chair



Harold Michael  
House of Delegates Co-chair

West Virginia Forest Management Review Commission



**WEST VIRGINIA LEGISLATURE  
JOINT COMMITTEE ON GOVERNMENT ORGANIZATION  
STATE CAPITOL  
CHARLESTON, WEST VIRGINIA 25305**

# **JOINT COMMITTEE ON GOVERNMENT ORGANIZATION**

**INTERIM REPORT TO THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
FEBRUARY 10, 2009**

**Senate Members:**

Senator Bowman - Chair  
Senator Snyder - Vice Chair  
Senator Boley  
Senator Browning  
Senator Caruth  
Senator Foster  
Senator Kessler  
Senator McCabe  
Senator Minard  
Senator Palumbo  
Senator Sypolt  
Senator White  
Senator Williams  
Senator Yost

**House Members:**

Delegate Morgan - Chair  
Delegate Stephens - Vice Chair  
Delegate Argento  
Delegate Azinger  
Delegate Boggs  
Delegate Butcher  
Delegate Cann  
Delegate Cowles  
Delegate Givens  
Delegate Hall  
Delegate Hartman  
Delegate Hatfield  
Delegate Manypenny  
Delegate Martin  
Delegate McGeehan  
Delegate Miller, C.  
Delegate Miller, J.  
Delegate Poling, D.  
Delegate Porter  
Delegate Ross  
Delegate Rowan  
Delegate Skaff, Jr.  
Delegate Staggers  
Delegate Swartzmiller  
Delegate Talbott  
Delegate Walker, T.



---

## Introduction

During the 2009-2010 interim period, the Joint Committee on Government Organization studied the following topics:

**House Concurrent Resolution 46** - Requesting the Joint Committee on Government and Finance to conduct a study on expanding the scope of practice for optometrists.

**House Concurrent Resolution 82** - Requesting that the Joint Committee on Government and Finance authorize a study of the Board of Optometry.

**House Concurrent Resolution 81** - Requesting a study on the West Virginia Office of Emergency Medical Services.

**House Concurrent Resolution 72** - Requesting a study of the law governing the Board of Pharmacy.

**House Concurrent Resolution 83** - Requesting a study of the law governing the Board of Physical Therapy.

**House Concurrent Resolution 84** - Requesting that the Joint Committee on Government and Finance authorize a study on the Athletic Commission and the regulation of Mixed Martial Arts.

A study of the Regulation of Private Security Services.

**Senate Concurrent Resolution 72** - Requesting Joint Committee on Government Organization and Finance study hiring retired state employees for current positions within Division of Personnel.

**Senate Concurrent Resolution 65** - Requesting Joint Committee on Government and Finance study fireworks' sale, storage and usage.

A study of the WV Public Grievance Board §6C-3-6

**House Concurrent Resolution 118** - Requesting a study to analyze and evaluate the operating practices, administrative procedures and legal issues associated with the state administration of the Division of Highways.

**Senate Concurrent Resolution 66** - Requesting Joint Committee on Government and Finance study costs of highways, sewers and water projects.

**Senate Concurrent Resolution 21** - Requesting Joint Committee on Government and

Finance study reclassifying counties .

**House Concurrent Resolution 80** - Requesting a study of a "Pay As You Throw" system for waste management fees.

Conclusions

The Chairs sent each resolution to a subcommittee. The subcommittees heard a presentation on each resolution assigned to it. The committee did not recommend any legislation for passage during the 2010 legislative session. All handouts and information contained in the minutes for the meetings are on file in the offices of the House and Senate Government Organization Committees. The committee will continue to follow the topics throughout the regular session.

Respectfully Submitted,

  
\_\_\_\_\_  
Senator Ed Bowman, Co-Chair

  
\_\_\_\_\_  
Delegate Jim Morgan, Co-Chair

# WEST VIRGINIA LEGISLATURE

## LEGISLATIVE OVERSIGHT COMMISSION ON HEALTH AND HUMAN RESOURCES ACCOUNTABILITY

2009- 2010 Interims

### SENATE MEMBERS

Senator Roman W. Prezioso, Jr. Chair  
Senator Dan Foster  
Senator Evan Jenkins  
Senator Ron Stollings  
Senator John Unger  
Senator Donna J. Boley  
Senator Don Caruth  
President Tomblin, *ex officio, Nonvoting*

### HOUSE MEMBERS

Delegate Don Perdue, Chair  
Delegate Barbara Hatfield  
Delegate Margaret Staggers  
Delegate Cliff Moore  
Delegate Ricky Moye  
Delegate Larry Border  
Delegate Ralph Rodighiero, *Nonvoting*  
Speaker Thompson, *ex officio, Nonvoting*

Final Report of

## LEGISLATIVE OVERSIGHT COMMISSION ON HEALTH AND HUMAN RESOURCES ACCOUNTABILITY

The Legislative Oversight Commission on Health and Human Resources Accountability was appointed pursuant to the provisions of West Virginia Code §16-29E-1, *et seq.*, following the 2009 Regular Session of the 79<sup>th</sup> Legislature.

During the course of the 2009- 2010 interim period the Legislative Oversight Commission on Health and Human Resources Accountability met and received information on various topics of study and other important healthcare issues from state agencies, political subdivisions, advocacy groups and other pertinent sources. The Commission was not assigned any new specific study topics during the 2009-2010 interim period. The Commission, therefore, spent their time reviewing different programs of Department of Health and Human Resources and different topics that were of interest from the previous interim period.

The Commission **REPORTS** as follows:

With the appointment of new members to the Commission , the joint chairs felt it essential to review the statutory responsibilities, powers and duties of the Commission. At the June meeting of the Commission, staff counsel, Jeff Johnson, reviewed West Virginia Code §16-29E-4 with the membership so they had the appropriate background.

## **BUDGET OVERVIEW OF THE DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

In an effort to gain greater oversight of the Department of Health and Human Resources, hereinafter referred to as the Department, the Commission heard from the Chief Financial Officer of the Department, Tara Buckner. Ms. Buckner offered an overview of the \$3.7 billion budget. She informed the Commission that 67% of that figure was from federal funds, 24% was from General Revenue funds and 9% was from Special Revenue funds. She also gave the Commission a breakdown of the funding and spending among the five (5) bureaus within the Department. The largest share going to the Bureau for Medical Services, most commonly known as Medicaid. Ms. Buckner also provided an overview of the various grants administered by the Department and provided insight on the potential funding sources available to the Department through the American Recovery and Reinvestment Act of 2009.

A subsequent meeting regarding the Department's budget was held later in the interim period. The purpose of this meeting was to give the Department the opportunity to respond to written questions submitted by the Commission regarding funding issues.

The Commission **RECOMMENDS** that they continue to stay abreast of the budget of the Department and meet with budget officials of the Department periodically to do so.

## **MEDICAID REDESIGN**

The Commission remained interested in the Mountain Health Choices program within the Bureau for Medical Services. They heard from Paula Fitzgerald Bone and Michael Walsh from West Virginia University who had conducted a study of the program. They provided an overview of the program and offered the Commission their thoughts on the health related concepts of the program and the baseline conditions used to guide their study. They informed the Commission regarding their sample methodology, the research and administrative data they relied upon in their study, and

participation levels. They concluded that adult members in the program are rationally choosing their plans based upon their health needs. They felt that the decision to participate was not motivated by lifestyle changes such as weight management or nutritional counseling, but service use such as the prescription drug plan. The results reported regarding child members indicated that the parental attitudes and resources motivated a decision to participate. They did conclude that the required "Member Agreement" has little impact upon behavior and that there still remained widespread confusion regarding the plan.

The Commission **RECOMMENDS** that they continue to inquire about the success of Mountain Health Choices. To accomplish this goal, the Commission should continue to receive information on participation levels, savings to the Medicaid program and input from both the Department of Health and Human Resources and external factions on the operation of the program.

## **BEHAVIORAL HEALTH**

The Commission had an interest in the ongoing litigation regarding the Bureau for Behavioral Health. To respond to their concerns, Vickie Jones, Commissioner for the Bureau, gave an in-depth historical overview of the *Hartley* decision. *Hartley* is a court decision that impacts the delivery of behavioral health services by the State of West Virginia. The Commissioner also discussed an agreed upon Order of the parties to the *Hartley* decision that was entered by the court on July 2, 2009. There were a number of issues addressed in the agreed upon Order related to the overcrowding of Mildred Mitchell-Bateman Hospital and William R. Sharpe, Jr. Hospital. These agreed upon issues centered upon funding for additional care coordinators, increases in residential supports, maintenance and funding of crisis stabilization beds, a modest increase in Medicaid reimbursement rates, and additional Medicaid funding for intensive outpatient programs. There remain a number of issues in litigation and the Department was reluctant to offer any details on those while the court has yet to rule upon them. Commissioner Jones also addressed the findings of the Behavioral Health Commission and noted that many of the agreed upon elements were consistent with the findings of the Commission.

The Commission **RECOMMENDS** that they continue to monitor the litigation activity of the Department of Health and Human Resources as it relates to behavioral health. Most particularly, that they remain cognizant of the impact these decisions would have upon the delivery of services and the state budget.

## **ADMINISTRATION UPDATE**

In September, Governor Manchin appointed Patsy Hardy, FACHE, MSN, MBA, to the position of Cabinet Secretary for the Department of Health and Human Resources. Secretary Hardy succeeded the departing Martha Y. Walker. The Commission met with Secretary Hardy to get an initial impression on the direction which she sees the Department moving under her leadership. The Secretary discussed staffing levels, budgetary concerns and the litigation issues which the Commission continued to monitor. Additionally, the Secretary updated the Commission on the always controversial Aged and Disabled Waiver program. More particularly, she provided the Commission much needed insight into the numbers of individuals being served by the waiver and eligible individuals awaiting services.

Upon her departure from the Department of Health and Human Resources, Martha Y. Walker assumed the newly created position of Director of the Governor's Office of Health Enhancement and Lifestyle Planning. The Commission requested that she attend their December meeting to provide an update. Due to a personal issue, Director Walker was unable to attend the Commission's December meeting. In her place, the Commission heard from Shannon Landrum and Jeremiah Samples of the office on the efforts currently underway in the office to offer statewide direction on health care reform. Additionally, the Commission heard from Ms. Landrum and Mr. Samples on the state's efforts to move toward a unified health information system.

The Commission **RECOMMENDS** that they continue to receive updates from administration officials as to the delivery of services that impact the health and welfare of the citizens of West Virginia.

## **OVERSIGHT AUTHORITY/ PROGRESS REPORTS**

The Commission continued to receive statutory required updates from the Children's Health Insurance Program, the Health Care Authority and various other programs and bureaus within the Department of Health and Human Resources.

The Commission also received a final report from the Uniform Credentialing Advisory Committee. The Advisory Committee met pursuant to the passage of House Bill 2885 during the 2009 regular session of the Legislature. That bill grew out of the year long meetings which took place that recommended that changes be made to the credentialing procedure in West Virginia as part of West Virginia's health care reform efforts. The bill required a review of the credentialing procedure currently in place in West Virginia and asked the Advisory Committee to make recommendations regarding the need for changes. The Advisory Committee presented

draft legislation to the Commission that would result in the development of a single Credentialing Verification Organization in the state.

The Commission **RECOMMENDS** the passage of legislation during the 2010 Regular Session of the Legislature that would result in the creation of a single state Credentialing Verification Organization. A copy of that legislation is attached to this report.

## **MISCELLANEOUS**

At various times throughout the interim period, written questions were submitted to the Department of Health and Human Resources. The Department continued to provide answers to the Commission on a wide variety of issues ranging from a Medicaid budgetary surplus, grants made available to free clinics, the operation of Medicaid waiver programs and long term care rebalancing efforts.

The Commission also heard about an actuarial report on claims data from all state payers, Mountain State Blue Cross/Blue Shield, The Health Plan and Coventry. The study gave the Commission an overview of the importance of electronic health care records in terms of savings to the health care system and offered insights on pilot projects in place regarding medical homes. Additionally, the study offered some ideas on potential Medicaid expansion, individual and employer insurance mandates and provided comparisons of costs and savings of various combinations of these.

The Commission held a joint meeting with the Committee on Minority Issues and the Select Committee on Health. Dr. Camara Jones, Research Director on Social Determinants of Health at the United States Center for Disease Control addressed the joint group regarding the root causes of racial disparity in the delivery of health care throughout the country. Her presentation contained state specific information to assist West Virginia in addressing this issue.

The Commission also reviewed and passed on to the Legislative Rulemaking Review Committee a rule regarding Distribution of State Funds For Support of Local Boards of Health. The passage of House Bill 3195 during the 2009 Regular Session of the Legislature required this action.

Respectfully submitted:

Senator Roman W. Prezioso, Jr.  
Co-Chair

Delegate Don Perdue  
Co-Chair

**West Virginia Legislature  
Commission on Interstate Cooperation**

**2009-2010 Interims  
January 11, 2010**

**Senate Members**

Senator Evan H. Jenkins, Chair  
Senator Dan Foster, Vice Chair  
Senator Joseph M. Minard  
Senator Ron Stollings  
Senator Erik Wells  
Senator Donald T. Caruth  
Senator Dave Sypolt

President Earl Ray Tomblin,  
Ex-Officio, Non-Voting Member

**House Members**

Delegate John Doyle, Chair  
Delegate Nancy Guthrie, Vice Chair  
Delegate Michael Ferro  
Delegate John Frazier  
Delegate Doug Reynolds  
Delegate Craig P. Blair  
Delegate Ron Walters

Speaker Richard Thompson,  
Ex-Officio, Non-Voting Member

**Final Report of the**

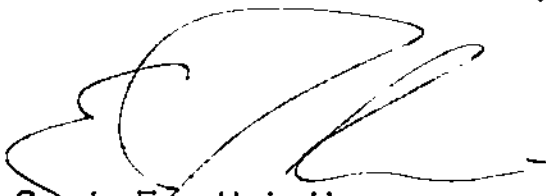
**Joint Commission on Interstate Cooperation**

Your Joint Commission on Interstate Cooperation established pursuant to West Virginia Code §29-1B-1, *et seq.*, has had under consideration the Uniform Real Property Electric Recording Act, the Uniform Debt-management Services Act, the Uniform International Wills Act, the Revision of Uniform Limited Partnership Act, the Uniform Real Property Transfer on Death Act, and the Uniform Trust Code .


On the issue of the Uniform Real Property Electric Recording Act, your Commission **recommends** the passage of legislation.

On the remaining issues, the Commission on Interstate Cooperation has no recommendations at this time.

Respectfully submitted,



Senator Evan H. Jenkins,  
Co-Chair



Delegate John Doyle,  
Co-Chair



# JOINT COMMITTEE ON PENSIONS AND RETIREMENT

## Interim Report to the Joint Committee on Government and Finance January 12, 2010

### **Senate Members:**

Dan Foster, Chair  
Larry Edgell  
Brooks McCabe  
Mike Oliverio  
Robert Plymale  
Frank Deem  
Mike Hall

### **House Members:**

Sharon Spencer, Chair  
Dave Pethtel, Vice Chair  
Roy Givens  
Doug Reynolds  
Dale Stephens  
Ray Canterbury  
Walter Duke

---

### Introduction

During the 2009-2010 interim period, the Joint Committee on Government and Finance did not direct the Joint Committee on Pensions and Retirement to consider any specific study topics. Therefore, the committee continued to study the financial stability and investment strategies of the police and fire pension funds, as it has done in previous years.

### Meetings

Anne Lambright, Executive Director for the West Virginia Consolidated Public Retirement Board, and Harry Mandel, Actuary for the Consolidated Public Retirement Board, were in attendance each month to make presentations and to respond to questions from the committee members.

During the June interim meeting, the committee members received a letter from Kim Wolfe, Mayor of the City of Huntington, regarding Huntington's proposed solution to the unfunded municipal pensions problem. Anne Lambright responded to the letter and provided the committee with a TDC-TRS transfer update.

The municipal pensions discussion continued throughout July, August and September in anticipation of an extraordinary session to formally consider the bill. During these months the committee heard testimony from Lisa Dooley, Executive Director of the West Virginia Municipal League; Carl Eastham, Secretary/Treasurer of the Professional Firefighters Association of West Virginia; Tom Bell, Deputy Mayor of Huntington; and Sam Love, representative for the State Fireman's Association.

In October, the committee heard a presentation from Margie McCumbee-Allgyer, Municipal Clerk and Comptroller for the Town of Bath, regarding pension issues her town has recently faced. Due to an error that was made in the town many years ago, the Town of Bath was responsible for paying the Consolidated Public Retirement Board (CPRB)

thousands of dollars. Ms. Allgyer explained to the committee that her town would like to see a payment plan implemented for municipalities who are required to pay a large sum to the CPRB. In addition, Ms. Allgyer would like to see a statute of limitations in place for public employees who wish to buyback into a state retirement system.

The November interims were supplemented by Governor Manchin's call for the Fourth Extraordinary Session of 2009. After months of discussion and deliberation, ***Senate Bill No. 4007, Relating to retirement benefits of professional police officers and professional firefighters*** was passed by the Legislature and approved by Governor Manchin.

Also in November, the committee considered legislation to allow the purchase of service credit for those emergency officers who transferred into the Emergency Medical Services Retirement System from the Public Employees Retirement System (PERS). The committee members voted to recommend the bill for passage during the 2010 Regular Session.

Anne Lambright concluded the year by providing the committee with a TDC-TRS transfer update in December.

#### Conclusions & Interim Legislation

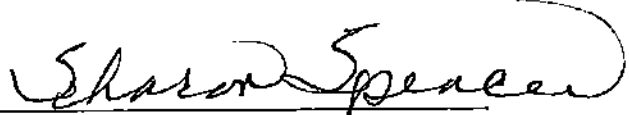
The committee requested additional information from several of the aforementioned presenters and all handouts and information contained in the minutes for the meetings are on file in the office of the Joint Committee on Pensions and Retirement.

The committee also recommends the following legislation for passage during the 2010 Regular Session:

*A bill allowing the purchase of service credit for those emergency officers who transferred into the Emergency Medical Services Retirement System from the Public Employees Retirement System (PERS).*

Respectfully Submitted,

  
\_\_\_\_\_  
Senator Dan Foster, Co-Chair

  
\_\_\_\_\_  
Delegate Sharon Spencer, Co-Chair

1 X. B. Blank

2  
3 (By)

4 [Introduced]

5  
6  
7  
8  
9 A BILL to amend the Code of West Virginia, 1931, as amended, by  
10 adding thereto a new section, designated §16-5V-9a, relating  
11 to the purchase of previous service of eligible emergency  
12 medical service officers who transferred into the Emergency  
13 Medical Services Retirement System from the Public Employees  
14 Retirement System (PERS).

15 *Be it enacted by the Legislature of West Virginia:*

16 That the Code of West Virginia, 1931, as amended, be amended  
17 by adding thereto a new section, designated §16-5V-9a, to read as  
18 follows:

19 **ARTICLE 5V. EMERGENCY MEDICAL SERVICES RETIREMENT SYSTEM ACT.**

20 §16-5V-9a. Purchase of service for members who have transferred  
21 from the Public Employees Retirement System.

22 Notwithstanding the provisions of section nine of this  
23 article, eligible emergency medical services officers that transfer  
24 or have transferred from Public Employees Retirement System shall

1 have retroactive service, as defined by section two, article ten,  
2 chapter five of this code, recognized under this plan through the  
3 purchase of service through payment by the member of sixty percent  
4 of the actuarial accrued liabilities which would result if the  
5 service is credited under the Emergency Medical Services Retirement  
6 System subject to the following:

7       (1) The service may be purchased in one-year increments of  
8 eligible service for the total period of eligible service;

9       (2) Payment must be made in either a one-time lump sum payment  
10 received by the board no later than December 31, 2010, or in  
11 regular installment payments payable over sixty months with the  
12 initial installment received by the board on or before December 31,  
13 2010;

14       (3) The rate of interest applicable to regular installment  
15 payments for the purchase of service shall be the actuarial  
16 interest rate assumption as approved by the board for completing  
17 the actuarial valuation for the plan year immediately preceding the  
18 first day of the plan year in which the service purchase is made,  
19 compounded per annum;

20       (4) Once payments commence, selection of the period of service  
21 being purchased may not be amended; and

22       (5) Service will be credited only upon receipt by the board of  
23 all payments due.

NOTE: This bill was recommended for introduction and passage

by the Joint Committee on Pensions and Retirement. The purpose of this bill is to allow the purchase of service credit for those emergency services officers who transferred from PERS, but had not already purchased this prior to service

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.

# WEST VIRGINIA LEGISLATURE

## Select Committee A Children, Juveniles and Other Issues

2009- 2010 Interims

### SENATE MEMBERS

Senator Roman W. Prezioso, Jr., Chair  
Senator Corey Palumbo, Vice Chair  
Senator Larry J. Edgell  
Senator Dan Foster  
Senator Jeffery V. Kessler  
Senator Joseph Minard  
Senator John Unger II  
Senator Bob Williams  
Senator Donna Boley  
Senator Frank Deem  
Senator Jesse O. Guills

### HOUSE MEMBERS

Delegate Virginia Mahan, Chair  
Delegate Barbara Fleischauer, Vice Chair  
Delegate Bonnie Brown  
Delegate Jeff Eldridge  
Delegate Tim Ennis  
Delegate Ron Fragale  
Delegate John R. Frazier  
Delegate Tal Hutchins  
Delegate Margaret Donaldson Smith  
Delegate Sharon Spencer  
Delegate Josh Stowers  
Delegate Linda Longstreth  
Delegate Bob Ashley  
Delegate Ruth Rowan  
Delegate Robert A. Schadler

## Final Report of Select Committee on Children, Juveniles and Other Issues

The Select Committee on Children and Juveniles was appointed by the Joint Committee on Government and Finance following the 2009 Regular Session of the 79<sup>th</sup> Legislature. The Committee was not assigned any additional topics for study during the 2009 interim period. The Select Committee on Health, however, requested that House Concurrent Resolution No. 5 Requesting the Joint Committee on Government and Finance to study the safety issues of those who provide home visits to families in West Virginia which had been assigned to it for study be transferred to the Select Committee on Children based upon the history which the committee had with that topic. That request was granted.

During the course of the 2009 - 2010 interim period, Select Committee A met and received information on this topic of study and other important issues related to protection of children and juveniles. Presentations were made and information was received from state agencies, the West Virginia Department of Health and Human Resources, advocacy groups and other pertinent sources.

The Committee **REPORTS** as follows:

**HCR 5.** Requesting the Joint Committee on Government and Finance to study the safety issues of those who provide home visits to families in West Virginia.

The Committee **RECOMMENDS** that they continue to study and evaluate this issue over the next interim period.

### **CHILD PROTECTIVE SERVICES**

The Committee continued its efforts to improve the delivery of services by Child Protective Services and heard from a variety of individuals with an interest in Child Protective Services within the Bureau for Children and Families at the Department of Health and Human Resources. The Committee heard from Steven and Mary Ann Van Clief who presented the Committee with information on their experience with the foster care system. They provided the Committee with personal details on children who had been placed in their care through the foster care system. They recommended some type of dispute resolution system for parents in the foster care system be developed. They further recommended that this entity not be housed within the Department of Health and Human Resources.

The Committee also heard from officials at the Department of Health and Human Resources on this issue. For reasons of confidentiality, the Department would not discuss the specifics of the case involving Mr. and Mrs. Van Clief, but spoke regarding training issue for foster care employees and how issues involving disciplinary actions of employees are managed.

The Committee heard from Angie Hamilton, Senior Director for Community Based and Foster Care Programs at Pressley Ridge. Ms Hamilton provided the Committee with a foster care perspective from a private foster care agency. She spoke regarding the effectiveness of the foster care system, most particularly regarding funding and child placement. She recommended that the reimbursement rates for foster care be examined and increased, if possible.

House Committee Clerk, Mark White, presented the Committee a summary of the manner in which various states have developed a dispute resolution office to address concerns that arise in the foster care agency within the state. Mr. White discussed how the offices are constructed and managed, staffing levels, funding issues which included federal and private grant possibilities, and where they are placed within the structure of state government. He also provided the Committee

with insight into the necessary elements to making such an office successful. These included autonomy from the state child welfare agency, sufficient funding, qualified staff, and sufficient statutory authority to carry out investigations and mandate improvements.

Finally, the Committee heard from Nina Williams-Mbengue, a foster care expert from the National Conference of State Legislatures, Children and Families Division. Ms. Williams-Mbengue indicated that her research found that West Virginia had placement instability issues, needed to provide greater training and preparation for foster care providers, suffered from a lack of adequate information on foster child health and mental health, had recruitment and retention issues, and continued to have issues with out of state placement. She also stressed the need for continued and constant confidentiality of foster care records. Ms. Williams-Mbengue also discussed efforts to prevent initial entry into the foster care system and preventing re-entry into the system. She concluded with an overview of the Federal Child and Family Services Review and discussed the strengths of the West Virginia system based upon this review and the concerns that were apparent from the review.

The Committee **RECOMMENDS** that they continue to monitor the foster care program in West Virginia. To accomplish this, that they continue to meet with officials of the Department of Health and Human Resources, advocacy groups and interested parties on this issue.

The Committee **FURTHER RECOMMENDS** the passage of the following piece of legislation during the 2010 regular Legislation session:

A bill to create an Office of Child Advocate. This office will not only attempt to resolve disputes that arise in foster care cases but will also encompass Juvenile Services within the Department of Corrections.

Respectfully submitted:

Senator Roman W. Prezioso, Jr.  
Co-Chair

Delegate Virginia Mahan  
Co-Chair



# WEST VIRGINIA LEGISLATURE

## SELECT COMMITTEE ON HEALTH 2009- 2010 Interims

### SENATE MEMBERS

Senator Roman W. Prezioso, Jr. Chair  
Senator Dan Foster  
Senator Evan Jenkins  
Senator Joe Minard  
Senator Ron Stollings  
Senator Mike Hall  
Senator Don Caruth

### HOUSE MEMBERS

Delegate Don Perdue, Chair  
Delegate Barbara Hatfield  
Delegate Bill Hartman  
Delegate Charlene Marshall  
Delegate Margaret Staggers  
Delegate Harold Michael  
Delegate Linda Phillips  
Delegate Bill Wooton  
Delegate Ralph Rodighiero -

Final Report of

## SELECT COMMITTEE ON HEALTH

The Select Committee on Health was appointed , following the 2009 Regular Session of the 77<sup>th</sup> Legislature.

During the course of the 2009 interim period the Select Committee on Health met and received information on various topics of study and other important healthcare issues from state agencies, political subdivisions, advocacy groups and other pertinent sources in response to study resolutions assigned to the committee. The Committee **REPORTS** as follows:

### **HCR 58, requesting the Legislature establish a Joint Legislative Committee on Substance Abuse and Public Assistance.**

The Committee heard from Delegate Craig Blair about the pros of drug testing of individuals applying for public assistance, from Dan Hartwell, the Program Manager of the Family Support Unit about eligibility requirements and Frank Crabtree, the Executive Director of the ACLU, about the legal implications of testing applicants.

The Commission **RECOMMENDS** that no action be taken on this issue.

### **HCR87 requesting the Joint Committee on Government and Finance conduct a study on the disposal of pharmaceuticals and other hazardous materials.**

The Committee heard from Erich B. Emery, Manager of Research and Biological Programs of the

Ohio River Valley Water Sanitation Commission spoke about the pharmaceutical exposure of water and the developing concerns.

The Committee **RECOMMENDS** no action at this time but a continuation of the study resolution during the next interim period. .

**SCR75 requesting the Joint Committee on Government and Finance study drug diversion and unintentional pharmaceutical drug overdoses.**

The Committee heard from Dr. Michael O'Neal, Associate Professor of the Dept. Pharmacy Practice, the Director of the Pharmacy Residency Program and the Director of the Center for the Education and Study of Drug Diversion and Substance Abuse who discussed drug diversion and over-prescribing of medication.

The Committee **RECOMMENDS** the creation the West Virginia Partnership for Community-Well Being as a statutory entity with responsibility for coordinating prevention, early intervention, treatment and recovery efforts in the state. This entity should be charged with developing an integrated data collection system, providing in-state education to local law enforcement investigation, reporting and prosecution of drug diversion activity, Provide medical professional education, promote state-wide public education regarding the dangers of the "Sharing Culture of Prescription Drugs" provide public education on appropriate disposal of prescription drugs., revisiting §15-8-7 to optimize necessary access to the WV Controlled Substance Monitoring Program.

Further, the committee **recommends** supporting a "Script Doc" review board to facilitate law enforcement prosecution of egregious prescribing practices through the new entity.

**HCR93 requesting the Joint Committee on Government and Finance study methadone treatment centers in West Virginia.**

The committee heard from Mark Parrino, MPA, President of the American Association for the Treatment of Opioid Dependence, and a number of patients and patient advocates about the importance of access to methadone for opioid dependent individuals.

The Committee **RECOMMENDS** no action at this time.

**HCR91 requesting the Joint Committee on Government and Finance study establishing a program to permit medicine aides who are certified to administer certain drugs in nursing homes and some home and community service locations.**

The Committee heard from Laura Rhodes, the Executive Director of the WV Board of Examiners for Registered Professional Nurses, Steve Wiseman, the Director of the WV Developmental Disabilities Council, Jesse Samples, the CEO of the WV Health Care Association and Deatra Adkins, the Director of Clinical Services for the WV Health Care Association who discussed the stance of each entity relating to medication administration by certified individuals in the different settings.

The Committee **RECOMMENDS** that this resolution be continued to enable the Board of Registered Professional Nurses, the Board of Licensed Practical Nurses and the Health Care Association work to determine the specifics of a pilot program in nursing homes and determine that there are nursing homes interested in participating. During next years interims, these entities will report back their recommendations for legislation.

The Committee further **RECOMMENDS** that legislation be developed to give the Board the authority to develop a pilot program and also to support a supplemental appropriation to increase the spending authority of the Board to have the financial resources to develop the program. This is a special revenue account and will not require any state dollars.

Further the Commission **RECOMMENDS** that no action be taken regarding the recommendations of the representatives of the disabilities community until the recommendations of the Council of Nurses are received for consideration in February. At that time, the chairs will determine how they want to proceed after discussing with the interested parties.

**HCR53** requesting the Joint Committee on Government and Finance to study identifying good perinatal health education models or developing models in West Virginia.

The committee heard from Kristine Chadwick, senior study analyst with Edvantia, reported on the study methodology and Nancy Tolliver presented recommendations. In addition Dr. David Chaffin from Marshall University presented the Cord Tissue Study Report .

The committee **RECOMMENDS** that the committee chairs prepare a letter in support of a thorough review of the recommendations of the Perinatal Partnership in response to a study of school system policies relating to pregnancy and childbirth to be sent to the chairs of the Senate and House Education Committee.

The Committee further **RECOMMENDS** that, if feasible, additional resources be made available to the prevention, early intervention, treatment and recovery of drug abusers in response to the findings of the cord study of babies born in West Virginia who are exposed to drugs or alcohol.

**HCR89**, requesting the the Joint Committee on Government and Finance conduct a study on the status of oral health in the rural communities of West Virginia.

The committee heard from Dr.David Walker, the Director of the Oral Health Program at DHHR, on oral health outreach and Dr.Dan Brody, a dentist representing the Primary Care Association.

The committee **RECOMMENDS** legislation creating the Office of Oral Health in the Bureau of Public Health rather than in the Office of Maternal Child Health to increase its visibility and show the importance of its work.

The committee further **RECOMMENDS** that additional resources be made available through the budget process to improve the oral health system in the state.

Respectfully submitted:

Senator Roman W. Prezioso, Jr.  
Co-Chair

Delegate Don Perdue  
Co-Chair



WEST VIRGINIA LEGISLATURE  
STATE CAPITOL  
CHARLESTON, WEST VIRGINIA 25305

## ***2009-2010 ANNUAL REPORT*** ***Select Committee on Infrastructure***

**Interim Report to the Joint Committee on Government and Finance**  
**January, 2010**

### **Senate Members**

Senator Unger, Chair  
Senator Fanning  
Senator Jenkins  
Senator Plymale  
Senator Facemyer

### **House Members**

Delegate Martin, Chair  
Delegate Klempa, Vice Chair  
Delegate Barker  
Delegate Cann  
Delegate Craig  
Delegate Kominar  
Delegate Reynolds  
Delegate Shook  
Delegate Swartzmiller  
Delegate Cowles  
Delegate Miller, C.  
Delegate Miller, J.

---

The Select Committee on Infrastructure makes the following report to the Joint Committee on Government and Finance for the period of June 2009 through January 2010.

The Legislative Select Committee on Infrastructure met each month during the interim period to conduct business regarding the Real I.D. Act, safety regarding text messaging and the use of cell phones while driving a motor vehicle; and transferring authority to issue special license plates to the Division of Motor Vehicles. The Committee received and considered testimony from various state agencies and other organizations as follows:

### **June 2009**

Co-Chairman Martin welcomed the Committee members; adopted procedural rules and he proceeded to hold a discussion on general committee organization and future study topics

### **July 2009**

Christy Morris, Deputy Cabinet Secretary, WV Department of Military Affairs and Public Safety and Acting Director, WV Homeland Security State Administrative Agency, presented the committee with an update on the federal Real ID Act, as well as the pending federal legislation

which would repeal the act.

Steve Dale, Executive Assistant to DMV Commissioner, gave a report on the DMV's Real ID material compliance checklist

#### August 2009

John Reed, counsel, Select Committee on Infrastructure, gave a review of H. B. 2621 - prohibiting the use of cell phones and text-messaging devices while operating a motor vehicle except when using a hands-free device or in the case of an emergency. HB2621 passed during the regular 2009 session, but did not come out of the conference committee.

Steve Dale, Executive Assistant to DMV Commissioner, answered questions of the committee.

#### September 2009, October 2009 and November 2009

John Reed, counsel, Select Committee on Infrastructure presented the committee with revisions of a proposed SB/HB - which would transfer authority to issue special license plates from the Legislature to the Division of Motor Vehicles.

Betty Caplan, counsel, Select Committee on Infrastructure, presented the committee with a review of a proposed bill relating to prohibiting text-messaging on cell phones while operating a motor vehicle.

Steve Dale, Executive Assistant to DMV Commissioner was present to answer questions from members of the committee.

#### December 2009

The Select Committee on Infrastructure passed the following bills with amendments in committee to present to the Committee on Government and Finance:

**SB/HB \*\*\*\*; relating to prohibiting text-messaging on cell phones while operating a motor vehicle.**

Chairman Martin recognized Delegate Klempa for purposes of moving the bill. Co-Chairman Martin recognized counsel for purposes of explaining the bill. Chairman Martin called for questions of counsel. Questions and discussion from the committee followed.

Chairman Martin recognized Delegate Guthrie for purposes of moving to amend the bill by offering a motion to include a ban on the use of cell phones, unless a hands free device is in use, as well as a ban on text messaging. Motion was adopted by show of hands.

Chairman Martin recognized Delegate Klempa for purposes of making a motion to move the bill as amended. Motion adopted.

Chairman Marin recognized Delegate Klempa for purposes of making a motion to report the bill with amendment to the Joint Committee on Government and Finance for consideration. Chairman Martin put the motion before the Committee. The motion was adopted and the bill will be reported with amendment to the Joint Committee on Government and Finance for consideration.

**SB/HB \*\*\*\*; transferring authority to issue special license plates to the Division of Motor Vehicles.**

Chairman Martin recognized Delegate Klempa for purposes of moving the bill. Co-Chairman Martin recognized counsel for purposes of explaining the bill. Chairman Martin called for questions of counsel. Questions and discussion from the Committee followed. With leave of the Committee, Steve Dale of the DMV answered questions from the Committee members.

Chairman Martin recognized Delegate Stephens for purposes of moving to amend the bill by offering the following amendment:

Delegate Stephens moves to amend the bill on page 46, Section 14, line 2, by striking the following: "500" and inserting in lieu thereof the following: "250" and on page 47, Section 14, line 9, by striking the following: "500" and inserting in lieu thereof the following: "250". Motion was adopted.

Chairman Martin recognized Delegate Klempa for purposes of making a motion to move the bill as amended. Motion adopted.

Chairman Martin recognized Delegate Cowles for purposes of moving to amend the bill. Delegate Klempa raised a point of order of wether or not the amendment was germane to the bill. Chairman Martin ruled that the amendment was not germane, and that therefore the amendment was out of order. Motion was dismissed.

Chairman Martin recognized Delegate Klempa for purposes of making a motion to report the bill with amendment to the Joint Committee on Government and Finance for consideration. Chairman Martin put the motion before the Committee. The motion was adopted and the bill will be reported with amendment to the Joint Committee on Government and Finance for consideration.

The Committee requested additional information from several of the aforementioned presenters and all handouts and information contained in the minutes for the meetings are on file in the office of the Select Committee on Infrastructure.

**January 11, 2010**

**SB/HB \*\*\*\*; Establishing the West Virginia transportation Finance Commission.**

Co-Chairman Unger recognized Delegate Klempa for purposes of moving the bill. Co-Chairman Martin recognized counsel for purposes of explaining the bill. Delegate Klempa called for questions of counsel. Questions and discussion from the Committee followed. With leave of the

Committee, Marvin Murphy, State Highway Engineer, DOH answered questions from the Committee members.

Co-Chairman Unger recognized Delegate Klempa for purposes of making a motion to move the bill. Motion adopted.

Co-Chairman Unger recognized Delegate Klempa for purposes of making a motion to report the bill to the Joint Committee on Government and Finance for consideration. Chairman Unger put the motion before the Committee. The motion was adopted and the bill will be reported to the Joint Committee on Government and Finance for consideration.

**SB/HB \*\*\*\*; West Virginia Community Empowerment Transportation Act**

Co-Chairman Unger recognized Delegate Klempa for purposes of moving the bill. Co-Chairman Martin recognized counsel for purposes of explaining the bill. Delegate Klempa called for questions of counsel. Questions and discussion from the Committee followed. With leave of the Committee, Marvin Murphy, State Highway Engineer, DOH answered questions from the Committee members.

Co-Chairman Unger recognized Delegate Klempa for purposes of making a motion to move the bill. Motion adopted.

Co-Chairman Unger recognized Delegate Klempa for purposes of making a motion to report the bill to the Joint Committee on Government and Finance for consideration. Chairman Unger put the motion before the Committee. The motion was adopted and the bill will be reported to the Joint Committee on Government and Finance for consideration.

Respectfully submitted,

  
\_\_\_\_\_  
Senator John Unger, Co-Chair

  
\_\_\_\_\_  
Delegate Dale Martin, Co-Chair

# SELECT COMMITTEE ON PELA, SENIORS AND LONG TERM CARE

INTERIM REPORT TO THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
JANUARY 12, 2010

**Senate Members:**

John Unger, Chair  
Dan Foster  
Walt Helmick  
Mike Hall  
Robert Plymale

**House Members:**

Larry Williams, Chair  
Sam Argento  
Sam Cann  
Don Perdne  
Dale Stephens  
Sally Susman  
David Walker  
William Wooton  
Larry Border  
Bill Hamilton

---

## Introduction

During the 2009-2010 interim period, the Select Committee on PELA, Seniors and Long Term Care studied the following topics:

***House Resolution 38, Urging the Bureau for Medical Services to consider increasing reimbursement rates for the Medicaid Personal Care program***

***Senate Bill No. 399, Creating senior resident hunting, fishing and trapping license***

## Guest Speakers

During the June interim meeting, the committee heard from Corporal Gerald Dornburg with the West Virginia State Police and Christy Morris, Deputy Secretary of the West Virginia Department of Military Affairs and Public Safety, on the status of the newly implemented Silver Alert Program.

In July, the committee heard a presentation from Ted Cheatham, Director of the West Virginia Public Employees Insurance Agency, regarding the likely change in benefits for future retirees. Mr. Cheatham explained that the potential benefit reduction is due to the \$7 billion liability that PELA now faces.

Julie McClanahan with the Bureau of Senior Services; Robert Roswell, Director of the Huntington Senior Center; and John Law, Assistant Deputy Secretary for the Department of Health and Human Resources spoke at the August meeting regarding Medicaid waivers and reimbursement rates. Ms. McClanahan offered the committee a brief



explanation of the Aged/Disabled Waiver program. Mr. Roswell explained his reasons for pushing for an increase in Medicaid reimbursement rates. The committee requested a monthly update from Mr. Law regarding reimbursement rates and A/D waiver waiting lists.

The committee heard from Stacey Saunders, Associate Director of the Elder Economic Security Initiative Program of Wider Opportunities for Women in Washington D.C., in September. Ms. Saunders explained the Elder Economic Security Initiative, which is a multi-year project aimed at assessing the economic well-being and security of seniors by looking at the cost of healthcare and living expenses by region.

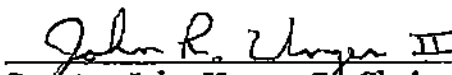
In October, the committee heard a presentation from Angela Vance, Advocacy Director, and Susan LeFew, Project Coordinator, of AARP West Virginia. The two representatives explained some new initiatives that AARP has undertaken to improve the health and safety of senior citizens. These programs include free tax help, a driver's safety course, education on PEIA and Medicare, protection from fraud and consumer abuse, among many others.

During the December meeting, the West Virginia Division of Natural Resources (DNR) and the West Virginia Alzheimer's Association both delivered presentations to the committee. Frank Jezioro, Director of DNR, wants to implement a senior hunting and fishing license in West Virginia to help increase direct and federal revenues. Jane Marks, Executive Director of the Alzheimer's Association, informed the committee of the growing problems surrounding Alzheimer's disease, as well as recent developments in research and prevention techniques.

### Conclusions

The Committee requested additional information from several of the aforementioned presenters and all handouts and information contained in the minutes for the meetings are on file in the office of the Select Committee on PEIA, Seniors and Long Term Care. The committee will continue to monitor legislation regarding Medicaid reimbursement rates and senior hunting and fishing licenses.

Respectfully Submitted,

  
Senator John Unger, Co-Chair

  
Delegate Larry Williams, Co-Chair



**WEST VIRGINIA LEGISLATURE**  
**CHARLESTON, WV**

**LEGISLATIVE SELECT COMMITTEE ON VETERANS' AFFAIRS**

**Erik Wells**  
Senate Co-Chairman

**Richard J. Iaquina**  
House Co-Chairman

**Barbara Fleischauer**  
House Co-Chairwoman

---

**Senate Members**  
Senator Wells, Chair  
Senator Facemire  
Senator Oliverio  
Senator Williams  
Senator Yost  
Senator Sypolt

**House Members**  
Delegate Iaquina, Chair  
Delegate Fleischauer, Chair  
Delegate Eldridge  
Delegate Longstreth  
Delegate Stephens  
Delegate Walker  
Delegate Azinger

The West Virginia Legislature's Joint Committee on Government and Finance requested that the Legislative Select Committee on Veterans' Affairs study the following resolution during the 2009-2010 interim period and report its findings to the Joint Committee on Government and Finance:

**House Concurrent Resolution No. 7-** Requesting the Joint Committee on Government and Finance to continue studying the needs, challenges and issues facing veterans.

The Legislative Select on Veterans' Affairs met each month during the interim period to conduct business regarding the State of West Virginia's veterans including post-deployment issues, educational opportunities, and the status of veteran mental health care.

The Committee received and considered testimony from various state agencies and other organizations as follows:

**Director Keith Gwinn**

**West Virginia Division of Veterans' Affairs**

Director Gwinn appeared multiple times before the Committee to provide updates on projects that the Division of Veterans' Affairs is engaged in, as well as answered questions regarding the Committee members concerns specific to veteran benefits.

**Doctor Gerry Stover**

**West Virginia Academy of Family Physicians**

Dr. Stover presented information to the Committee regarding the family physicians' perspective on the Tricare healthcare program.

**Mr. Toney Colagrosso**  
**State Health Benefit Advisor for Tricare**

Mr. Colagrosso presented information to the Committee regarding an overview of issues relating to the Tricare healthcare program.

**Mr. Skip Gebhart**  
**West Virginia Higher Education Policy Commission**

Mr. Gebhart presented information to the Committee regarding education programs aimed at assisting members of the National Guard.

**Mr. Terry Miller**  
**West Virginia University**

Mr. Miller presented information to the Committee on available veteran programs and resources hosted at WVU.

**Maj Kelly Ambrose, Capt Christopher Applegate, Col Dave Buckalew**  
**West Virginia National Guard**

The three representatives of the West Virginia National Guard presented information to the Committee regarding future legislative initiatives of the West Virginia National Guard.

The October meeting of the Committee consisted of a tour of the facilities of the West Virginia Air National Guard's 130<sup>th</sup> and 167<sup>th</sup> Airlift Wings in Charleston and Martinsburg, West Virginia via flights aboard a C-130 Hercules aircraft.

The Committee also created and submitted a survey/questionnaire to each of the state's institutions of higher education in an attempt to quantify the overall "veteran friendliness" of the veterans' benefit opportunities and overall campus life at each institution.

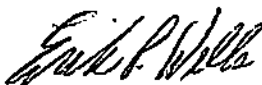
The Legislative Select Committee on Veterans' Affairs considered and adopted the following legislation to be reported to the Joint Committee on Government and Finance:

**SCR/HCR** Requesting the Joint Committee on Government and Finance to continue studying the issues facing the state's military veterans; and

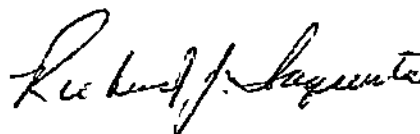
**SB/HB** Providing "veteran friendly" services at state institutions of higher education.

This bill provides for the West Virginia Higher Education Policy Commission and the Community and Technical College System of West Virginia to implement programs and services to help enhance the "veteran friendliness" of the state's institutions of higher education.

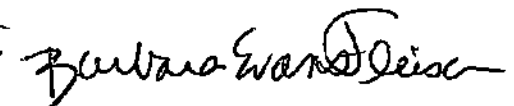
Respectfully submitted,



Erik Wells  
Senate Co-Chairman



Richard J. Iaquinta  
House Co-Chairman



Barbara Fleischauer  
House Co-Chairwoman



1           WHEREAS, Veterans recently returning from active duty are  
2 facing struggles, injuries, and mental and physical health care  
3 issues that are unprecedented and are not being fully addressed by  
4 current services; and

5           WHEREAS, The federal and state veterans care facilities, many  
6 public and private medical care facilities, and volunteer  
7 organizations are becoming inundated with the influx of veterans in  
8 need of care; and

9           WHEREAS, President Barack Obama's administration's committed  
10 troop increase to Afghanistan will most likely increase the need  
11 for additional veterans benefits and services that are already  
12 stretched thin to handle the influx of returning soldiers; and

13           WHEREAS, Many of the state's institutions of higher learning  
14 have begun offering programs directed at providing veterans with  
15 assistance including financial assistance, campus counseling, and  
16 aid in the transition from military life to student life; and

17           WHEREAS, In 2009, the Legislative Select Committee on  
18 Veterans' Affairs distributed a survey questionnaire to the state's  
19 institutions of higher education in an effort to quantify the  
20 overall veteran friendliness of their campus' and veteran  
21 educational opportunities;

22           WHEREAS, The West Virginia Higher Education Policy Commission  
23 has established a Veterans Initiative Task Force to help expand  
24 educational benefits and services among the state's institutions of

1 higher education; and

2 WHEREAS, The Veterans Initiative Task Force consists of higher  
3 education professionals, veterans benefits coordinators, and state  
4 agency representatives; and

5 WHEREAS, The Legislative Select Committee on Veterans' Affairs  
6 has asked The Veterans Initiative Task Force to periodically make  
7 policy and legislative recommendations based on their findings; and

8 WHEREAS, Generations of veterans from all services have called  
9 West Virginia home as West Virginia has one of the highest numbers  
10 of active duty and injured soldiers per capita in the nation; and

11 WHEREAS, It is important that all eligible veterans receive  
12 the services, treatment, and care they so richly deserve for  
13 volunteering their lives to the protection of this country and its  
14 institutions; and

15 WHEREAS, The State of West Virginia should remain committed to  
16 showing its gratitude of these service men and women by continuing  
17 its endeavor of developing and enhancing services directed at  
18 providing eligible veterans with healthcare services and education  
19 opportunities; therefore, be it

20 *Resolved by the Legislature of West Virginia:*

21 That the Joint Committee on Government and Finance is hereby  
22 requested to continue studying the needs, challenges, and issues  
23 facing West Virginia veterans returning from recent service and  
24 those generations that have served before for the purpose of making

1 recommendations on how the State of West Virginia can better assist  
2 them in getting the care and opportunities they deserve; and, be it

3 *Further Resolved*, that the Joint Committee on Government and  
4 Finance report to the Legislature, on the first day of the regular  
5 session, two thousand ten, on its findings, conclusions and  
6 recommendations together with drafts of any legislation to  
7 effectuate its recommendations; and, be it,

8 *Further Resolved*, That the expenses necessary to conduct this  
9 study, to prepare a report, and to draft necessary legislation be  
10 paid from legislative appropriations to the Joint Committee on  
11 Government and Finance.

1                                   **HOUSE CONCURRENT RESOLUTION NO.**  
2                                    (Interim Resolution)

3  
4            (By Delegates Iaquina, Fleischauer, Eldridge, and Walker)

5  
6  
7  
8  
9  
10    Requesting the Joint Committee on Government and Finance to  
11            continue studying the needs, challenges, and issues facing  
12            West Virginia veterans returning from recent service and those  
13            generations that have served before for the purpose of making  
14            recommendations on how the State of West Virginia can better  
15            assist them in getting the care and opportunities they  
16            deserve.

17            WHEREAS, The State of West Virginia's Legislative Select  
18            Committee on Veterans' Affairs has been continuously receiving  
19            testimony from veterans, local health care providers, social  
20            workers, and educational services personnel identifying the current  
21            state of affairs in post-deployment services available to veterans;  
22            and

23            WHEREAS, The testimony the committee has received illustrates  
24            that many veterans were either dissatisfied with or unable to  
25            receive the treatment options that are currently available or that  
26            they may be eligible for; and



1           WHEREAS, Veterans recently returning from active duty are  
2 facing struggles, injuries, and mental and physical health care  
3 issues that are unprecedented and are not being fully addressed by  
4 current services; and

5           WHEREAS, The federal and state veterans care facilities, many  
6 public and private medical care facilities, and volunteer  
7 organizations are becoming inundated with the influx of veterans in  
8 need of care; and

9           WHEREAS, President Barack Obama's administration's committed  
10 troop increase to Afghanistan will most likely increase the need  
11 for additional veterans benefits and services that are already  
12 stretched thin to handle the influx of returning soldiers; and

13           WHEREAS, Many of the state's institutions of higher learning  
14 have begun offering programs directed at providing veterans with  
15 assistance including financial assistance, campus counseling, and  
16 aid in the transition from military life to student life; and

17           WHEREAS, In 2009, the Legislative Select Committee on  
18 Veterans' Affairs distributed a survey questionnaire to the state's  
19 institutions of higher education in an effort to quantify the  
20 overall veteran friendliness of their campus' and veteran  
21 educational opportunities;

22           WHEREAS, The West Virginia Higher Education Policy Commission  
23 has established a Veterans Initiative Task Force to help expand  
24 educational benefits and services among the state's institutions of

1 higher education; and

2 WHEREAS, The Veterans Initiative Task Force consists of higher  
3 education professionals, veterans benefits coordinators, and state  
4 agency representatives; and

5 WHEREAS, The Legislative Select Committee on Veterans' Affairs  
6 has asked The Veterans Initiative Task Force to periodically make  
7 policy and legislative recommendations based on their findings; and

8 WHEREAS, Generations of veterans from all services have called  
9 West Virginia home as West Virginia has one of the highest numbers  
10 of active duty and injured soldiers per capita in the nation; and

11 WHEREAS, It is important that all eligible veterans receive  
12 the services, treatment, and care they so richly deserve for  
13 volunteering their lives to the protection of this country and its  
14 institutions; and

15 WHEREAS, The State of West Virginia should remain committed to  
16 showing its gratitude of these service men and women by continuing  
17 its endeavor of developing and enhancing services directed at  
18 providing eligible veterans with healthcare services and education  
19 opportunities; therefore, be it

20 *Resolved by the Legislature of West Virginia:*

21 That the Joint Committee on Government and Finance is hereby  
22 requested to continue studying the needs, challenges, and issues  
23 facing West Virginia veterans returning from recent service and  
24 those generations that have served before for the purpose of making

1 recommendations on how the State of West Virginia can better assist  
2 them in getting the care and opportunities they deserve; and, be it

3 *Further Resolved*, that the Joint Committee on Government and  
4 Finance report to the Legislature, on the first day of the regular  
5 session, two thousand ten, on its findings, conclusions and  
6 recommendations together with drafts of any legislation to  
7 effectuate its recommendations; and, be it,

8 *Further Resolved*, That the expenses necessary to conduct this  
9 study, to prepare a report, and to draft necessary legislation be  
10 paid from legislative appropriations to the Joint Committee on  
11 Government and Finance.

1 H. B.

2 (Interim Bill)

3 (By Delegates Iaquina, Fleischauer, Eldridge, and Walker)

4 [Introduced ; referred to the  
5 Committee on .]

6  
7  
8  
9  
10 A BILL to amend the Code of West Virginia, 1931, as amended, by  
11 adding thereto a new section, designated §18B-4-9, relating  
12 to providing services and facilities to assist student  
13 veterans at state institutions of higher education.

14 *Be it enacted by the Legislature of West Virginia:*

15 That the Code of West Virginia, 1931, as amended, be amended  
16 by adding thereto a new section, designated §18B-4-9, to read as  
17 follows:

18 **ARTICLE 4. GENERAL ADMINISTRATION.**

19 **§18B-4-9. Development of services and facilities for student**  
20 **veterans.**

21 (a) Legislative findings.- The Legislature finds that  
22 veterans of the Armed Forces of the United States that attend our  
23 state's institutions of higher education have many unique needs,  
24 issues and concerns that most traditional students do not have.  
25 Student veterans that are returning to fulfill their needs for  
26 higher education who have been or may, during their pursuit of  
27 higher education, be deployed to active duty in many instances  
28 face unique issues and concerns that are unprecedented and unique

1 to the current generation of veterans of the post 911 era of  
2 service in the Armed Forces. Many of these veterans have had or  
3 will be subject to multiple deployments to active duty, including  
4 overseas deployment, resulting in many unique issues and  
5 challenges for those veterans in their pursuit of higher  
6 education. It is the intent of the Legislature that state  
7 institutions of higher education provide adequate services and  
8 facilities to better serve the unique issues and needs facing  
9 the increasing number of these student veterans and to make West  
10 Virginia's institutions of higher education "veteran friendly".

11 (b) The Commission and the Council shall establish and  
12 implement measures in state institutions of higher education  
13 within each of their respective jurisdictions to assure that  
14 veterans attending those institutions receive services and are  
15 provided facilities to these student veterans in the pursuit of  
16 their education and the award of a degree and to make these  
17 institutions "veteran friendly" by actively and effectively  
18 providing academic and social support and assistance to student  
19 veterans, including, but not limited to, the following:

20 (1) Establish "veteran friendly" community and technical  
21 college degree programs which recognize and award academic credit  
22 toward degrees for various types of technical and vocational  
23 military training and experience;

24 (2) Develop programs to facilitate veteran students in  
25 the sharing their unique knowledge and experience in the military  
26 through public school programs and local community organizations;

27 (3) Establish and sponsor an organization for student

1 veterans on campus and encourage other "veteran friendly"  
2 organizations;

3 (4) Appoint and train specific faculty within each  
4 degree program or major as liaisons and contacts for student  
5 veterans;

6 (5) Develop state policies for all institutions of  
7 higher education for evaluation of academic credit for student  
8 veteran experiences;

9 (6) Establish a program to provide information about the  
10 Regents Bachelor of Arts Degree program to student veteran s  
11 potential student veteran;

12 (7) Coordinate existing disability services on campus  
13 with veteran disability services available from the Veterans  
14 Administration, other federal and state agencies and from private  
15 resources;

16 (8) Provide counselors on each campus trained to  
17 effectively respond to unique needs of veterans and to provide  
18 services or provide referrals to services to fulfill these needs  
19 for student veterans and develop training materials available for  
20 continued professional development to respond to student veteran  
21 needs;

22 (9) Facilitate regular statewide meetings for all  
23 personnel at state institutions of higher education who regularly  
24 provide specific services to student veterans to discuss and  
25 develop "best Practices," exchange ideas and experiences and hear  
26 presentations by presenters with generally accepted expertise in  
27 areas of the various needs of student veterans;

1           (10) Establish a policy or procedure to periodically  
2 appraise appropriate state and federal agencies of the status of  
3 student veterans in West Virginia;

4           (11) Establish a program to create a corroborative  
5 relationship between student veterans with alumni of the  
6 institution and with prospective employers to facilitate and  
7 provide employment as well as social opportunities to graduating  
8 student veterans; and

9           (12) Develop and facilitate communications between state  
10 institutions of higher education and various veteran  
11 organizations in the state to advance veteran causes that benefit  
12 student veterans.

13           (c) The Commission and the Counsel shall jointly submit  
14 an annual report to the Legislature on September 1 of each year  
15 on the progress toward implementing the provisions of this  
16 section.

17  
18  
19           Note: the purpose of this bill is to provide services and  
20 facilities to assist student veterans at state institutions of  
21 higher education. The bill substantially adopts the recent  
22 recommendations of the Veterans Initiative Task Force, which was  
23 appointed by the West Virginia Higher Education Policy  
24 Commission.

25           §18B-4-9 is new.

1 S. B.

2 (Interim Bill)

3  
4 (By Senators Wells, Facemire, Williams, yost, and Sypolt)

5 [Introduced ; referred to the  
6 Committee on .]

7  
8  
9  
10  
11 A BILL to amend the Code of West Virginia, 1931, as amended, by  
12 adding thereto a new section, designated §18B-4-9, relating  
13 to providing services and facilities to assist student  
14 veterans at state institutions of higher education.

15 *Be it enacted by the Legislature of West Virginia:*

16 That the Code of West Virginia, 1931, as amended, be amended  
17 by adding thereto a new section, designated §18B-4-9, to read as  
18 follows:

19 **ARTICLE 4. GENERAL ADMINISTRATION.**

20 **§18B-4-9. Development of services and facilities for student**  
21 **veterans.**

22 (a) Legislative findings.- The Legislature finds that  
23 veterans of the Armed Forces of the United States that attend our  
24 state's institutions of higher education have many unique needs,  
25 issues and concerns that most traditional students do not have.  
26 Student veterans that are returning to fulfill their needs for  
27 higher education who have been or may, during their pursuit of  
28 higher education, be deployed to active duty in many instances



1 face unique issues and concerns that are unprecedented and unique  
2 to the current generation of veterans of the post 911 era of  
3 service in the Armed Forces. Many of these veterans have had or  
4 will be subject to multiple deployments to active duty, including  
5 overseas deployment, resulting in many unique issues and  
6 challenges for those veterans in their pursuit of higher  
7 education. It is the intent of the Legislature that state  
8 institutions of higher education provide adequate services and  
9 facilities to better serve the unique issues and needs facing  
10 the increasing number of these student veterans and to make West  
11 Virginia's institutions of higher education "veteran friendly".

12 (b) The Commission and the Council shall establish and  
13 implement measures in state institutions of higher education  
14 within each of their respective jurisdictions to assure that  
15 veterans attending those institutions receive services and are  
16 provided facilities to these student veterans in the pursuit of  
17 their education and the award of a degree and to make these  
18 institutions "veteran friendly" by actively and effectively  
19 providing academic and social support and assistance to student  
20 veterans, including, but not limited to, the following:

21 (1) Establish "veteran friendly" community and technical  
22 college degree programs which recognize and award academic credit  
23 toward degrees for various types of technical and vocational  
24 military training and experience;

25 (2) Develop programs to facilitate veteran students in  
26 the sharing their unique knowledge and experience in the military  
27 through public school programs and local community organizations;

1           (3) Establish and sponsor an organization for student  
2 veterans on campus and encourage other "veteran friendly"  
3 organizations;

4           (4) Appoint and train specific faculty within each  
5 degree program or major as liaisons and contacts for student  
6 veterans;

7           (5) Develop state policies for all institutions of  
8 higher education for evaluation of academic credit for student  
9 veteran experiences;

10           (6) Establish a program to provide information about the  
11 Regents Bachelor of Arts Degree program to student veteran s  
12 potential student veteran;

13           (7) Coordinate existing disability services on campus  
14 with veteran disability services available from the Veterans  
15 Administration, other federal and state agencies and from private  
16 resources;

17           (8) Provide counselors on each campus trained to  
18 effectively respond to unique needs of veterans and to provide  
19 services or provide referrals to services to fulfill these needs  
20 for student veterans and develop training materials available for  
21 continued professional development to respond to student veteran  
22 needs;

23           (9) Facilitate regular statewide meetings for all  
24 personnel at state institutions of higher education who regularly  
25 provide specific services to student veterans to discuss and  
26 develop "best Practices," exchange ideas and experiences and hear  
27 presentations by presenters with generally accepted expertise in

1 areas of the various needs of student veterans;

2 (10) Establish a policy or procedure to periodically  
3 appraise appropriate state and federal agencies of the status of  
4 student veterans in West Virginia;

5 (11) Establish a program to create a corroborative  
6 relationship between student veterans with alumni of the  
7 institution and with prospective employers to facilitate and  
8 provide employment as well as social opportunities to graduating  
9 student veterans; and

10 (12) Develop and facilitate communications between state  
11 institutions of higher education and various veteran  
12 organizations in the state to advance veteran causes that benefit  
13 student veterans.

14 (c) The Commission and the Counsel shall jointly submit  
15 an annual report to the Legislature on September 1 of each year  
16 on the progress toward implementing the provisions of this  
17 section.

18  
19  
20 Note: the purpose of this bill is to provide services and  
21 facilities to assist student veterans at state institutions of  
22 higher education. The bill substantially adopts the recent  
23 recommendations of the Veterans Initiative Task Force, which was  
24 appointed by the West Virginia Higher Education Policy  
25 Commission.

26 §18B-4-9 is new.

**WEST VIRGINIA LEGISLATURE**  
**LEGISLATIVE OVERSIGHT COMMISSION**  
**ON WORKFORCE INVESTMENT FOR ECONOMIC DEVELOPMENT**

2009- 2010 Interims

**SENATE MEMBERS**

**Brooks McCabe, Chair**  
**Senator Jeffrey V. Kessler**  
**Senator Ron Stollings**  
**Senator Frank Deem**

**HOUSE MEMBERS**

**Delegate K. Steven Komisar, Chair**  
**Delegate Larry W. Barker**  
**Delegate Orphy Klempa**  
**Delegate Bill Hamilton**  
**Delegate Craig Blair, (nonvoting)**

Final Report of

**LEGISLATIVE OVERSIGHT COMMISSION ON**  
**WORKFORCE INVESTMENT FOR ECONOMIC DEVELOPMENT**

The Legislative Oversight Commission on Workforce Investment for Economic Development was appointed pursuant to the provisions of West Virginia Code §5B-2B-7, *et seq.*, following the 2009 Regular Session of the 79th Legislature. Pursuant to their statutory charge the Commission was to make a continued investigation, study and review of the practices, policies and procedures of the workforce investment strategies and programs implemented in the state.

During the course of the 2009 - 2010 interim period the Legislative Oversight Commission on Workforce Investment for Economic Development met and received information on these practices, policies and procedures and other important issues from state agencies, political subdivisions, advocacy groups and other pertinent sources. The Commission **REPORTS** as follows:

Counsel to the Commissioner presented an overview at the initial Commission meeting of the Commission's statutory charge so they were fully aware of their mission. To meet this obligation, the Commission heard at various times throughout the year from Russell L. Fry, the Acting Director of WorkForce West Virginia. Mr. Fry reported about reorganization efforts of the agency and provided a financial overview of WorkForce West Virginia in terms of the American Recovery and Reinvestment Act. Mr. Fry also discussed efforts he was taking to alleviate the wait list of workers who desired to be retrained after losing their jobs by realigning funding and seeking additional federal funding for his efforts.

The Commission continued to hear from Jim Skidmore, Chancellor for the West Virginia Community and Technical College System regarding their interest in developing an Associate Degree program within the Community College system in conjunction with United States Department of Labor approved apprenticeship programs. Chancellor Skidmore also discussed stimulus funding with the Commission as it related to the community and technical college system. Most particularly, the Chancellor discussed stabilization funding, the Green-collar Job Training Program, Pathway Out of Poverty Program and various other efforts. Finally, Chancellor Skidmore related his efforts to take the community and technical college system into middle schools to get that segment of the population interested in all the community and technical college system may have to offer them.

The Commission also heard from Karen Price of the West Virginia Manufacturers Association. Ms. Price discussed the need to "market" community and technical colleges in middle and high schools and discussed a program in the State of Virginia that was aimed at that. She encouraged the West Virginia program to adopt a similar approach. Dr. Stan Hopkins met with the Commission to discuss coordination of introduction of community and technical college information of education path to middle school children.

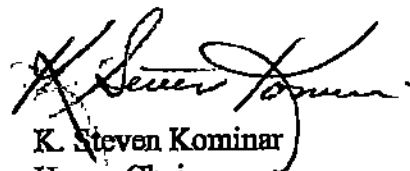
During the October interims, the Commission toured the WorkForce Investment Office in Charleston. They met with various employees of the office and the Region III Workforce Investment Board to better understand the manner in which the office operates.

The Commission **RECOMMENDS** that it continues to work with Director Fry, Chancellor Skidmore and others to provide middle school and high school students a better understanding of the opportunities that the community and technical college system provides. They will also continue to monitor progress on the Associate Degree program and the efforts to alleviate worker wait lists for retaining of displaced workers...

Respectfully submitted



Brooks F. McCabe, Jr.  
Senate Chair



K. Steven Kominar  
House Chair